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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

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# List of acronyms

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
CCI	Common Context Indicator
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
EQ	Evaluation question
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



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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
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 Centre for Rural Investment Financing
RDP	Rural Development Programme
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

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## 1.1 Key evaluation findings

The on-going evaluation of the NRDP 2014-2020 aims to analyse the effectiveness (the extent to which the set objectives have been met), efficiency (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 of the data related to the interventions and actions funded during the 2015-2017 period through the NRDP 2014-2020, at the level of mountain area.

Overall, the elaboration of the evaluation study, as well as the conclusions drawn were directly correlated with the availability of data from the monitoring system, which in fact were directly related to the level of implementation of the planned measures. Taking into account the number of contracted and finalised projects by the end of 2017, the implementation status of some NRDP measures is still in an early stage, although the funds allocated through the NRDP were mostly auctioned. At the same time, given that the remaining available funds from the NRDP 2014-2020 budget allocation are relatively low, some recommendations should be considered for the post-2020 programming period.

To be mentioned that the study is carried out in the process of the on-going evaluation of the NRDP 2014-2020, based on the contracted and finalised projects, although the way in which the questions are formulated, respectively "to what extent" is a characteristic of the impact assessment, based on finalised projects. Thus, in relation to the several elements analysed, the present study partially highlights the specific trends, thus the evolution will be further analysed in future evaluations.

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.).

The effectiveness of the submeasures with distinct allocations for the mountain area, analysed from the point of view of reaching the specific output indicators, presents a mixed situation, thus noticing

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submeasures which are far from reaching their established target (sM 4.2), submeasures in an intermediate situation (e.g., ML 6.3 and 4.1, which are progressing towards the final target) and submeasures with a high potential for reaching the final targets, given the number of contracted projects (sM 6.1 and sM 7.2).

Related to the efficiency of the programme, the public expenditure (EAFRD and state budget), reported for the projects within the analysed 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.

The analysis highlights the need of maintaining the distinct budget allocations for the mountain area for certain submeasures, while at the same time, the budget allocation for other sM needs to be reconsidered, as it follows:

- For sM 6.1, 6.3, 7.2, 7.6 the existing situation can be maintained for the moment, implicitly the distinct budget allocation;
- For sM 6.2, 6.4, 19.1 there is no reason to have a distinct budget allocation;
- For sM 4.1, 4.2 it is recommended to partially reduce the dedicated budget for the mountain area, while for sM 4.1a it is recommended to allocate a specific budget for the mountain area.

## 1.2 Conclusions and recommendations

The evaluation study has focused on programme effectiveness, efficiency and relevance in relation to the mountain area. Thus, in order to assess the effectiveness, the evaluation considered the achievement of the specific output indicators for the mountain area and the contracting capacity of the measures with dedicated budget for the mountain area, by comparing the results recorded in the mountain and non-mountain areas. Regarding the efficiency of the programme, the unit costs of the contracted projects were analysed, as compared to the unit costs recorded for the finalised projects. In order to analyse the relevance of the programme in the mountain area, an analysis on the selection criteria of submeasures was carried out.

The present study provides the answers to the 11 evaluation questions, based on the following evaluation criteria:

- Increase market participation, increase diversification, improve economic performance (Evaluation Question no. 1);





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- Development of small farms, increasing market coverage, new opportunities for capitalizing on production (Evaluation Question no. 2);
- Maintaining and Setting up of young farmers in the mountain area (Evaluation Question no. 3);
- Reducing emissions of greenhouse gases and ammonia (Evaluation Question no. 4);
- The evolution of processing and marketing of agricultural products (Evaluation Question no. 5);
- The living standard of inhabitants (Evaluation Question no. 6);
- Cultural heritage (Evaluation Question no. 7);
- Sustainable forest management and biodiversity conservation (Evaluation Question no. 8);
- Type, dimension and sector of investment (Evaluation Question no. 9);
- Level of adequacy of the implementation framework (Evaluation Question no. 10);
- Contribution to stopping abandonment of agricultural land in mountain areas (Evaluation Question no. 11).

The main conclusions and recommendations for each assessment criterion are presented below.

#### *Criterion: Effectiveness*

*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 which 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.

The implementation of the NRDP indicates a general reticence and difficulty for the private sector of mountain areas to invest in agricultural holdings and in the processing, marketing and development of agricultural products, while it indicates a high interest in the development of small farms and in the maintenance, restoration and modernization of cultural and natural heritage, rural landscapes and sites of high natural value. Some measures indicate a higher contracting capacity (increased attractiveness) in mountain areas, such as sM 6.3 and 7.6, while others are progressing towards the final objectives, such as 6.1 and 7.2.

*Recommendations:* It is recommended to support the dissemination of information in relation to the objectives and funding possibilities of the NRDP, as well as on the added value of the association / cooperation between beneficiaries and on the consolidation of the communication activities when launching the calls for proposals, under all sub-measures. At the same time, it is also recommended to promote training activities among the beneficiaries of certain measures, and also among local action groups, as well as promoting access to consultancy services.

#### *Criterion: Efficiency*

*Conclusions:* The unit costs of the projects (EAFRD and public budget financing) under sM 4.1, 6.3, 6.4, 19.1 are similar in mountain and non-mountain areas.



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There are higher costs recorded for the creation of a new job in non-agricultural activities or for increasing investments in agriculture through LDS, but smaller in the case of small farm development.

*Recommendations:* It is recommended that the MA compare the costs of finalised projects in mountain and non-mountain areas, over a longer period of time, in order to see if the projects finalised in the next period will generate higher costs compared to those already completed.

*Criterion: Relevance*

*Conclusions:* NRDP can, without doubt, contribute to the development of less-favoured mountain areas through a strategy that is more suited to the needs of mountain areas and by improving communication activities for potential beneficiaries who still seem reluctant to submit project proposals.

On the other hand, it is clear that there are still contextual and structural factors negatively affecting the mountain areas economy and living standards that cannot be solved by NRDP alone, but through a synergetic implementation of different policies and financing sources.

*Recommendations:* It is necessary to develop a more structured and adapted strategy for mountain area, based on an updated context analysis and assessment of the needs. Starting from the preliminary results of the NRDP, it would be useful to reallocate some of the funds to the measures that were the most successful during the 2014-2020 programming period.

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

*Conclusions:* The investments within NRDP 2014-2020 have determined, at the beneficiary level, the increase in sales and the expansion of local market shares (mainly for sM 4.1).

The traditional mountain products have significant potential to contribute to the development of a diversified economy geared more towards the tourism sector.

*Recommendations:* It is recommended to further promote the integration of the food chain within support measures of the programme, which is more difficult to achieve in mountain areas, through the selection criteria of sM 4.1 and to improve the communication and participation of stakeholders under sub-measure 16.4.

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

*Conclusions:* The effects of sM 6.3 are limited in terms of small farm development and structural changes of the farms. Specialization has been pursued by a small part of the farms due to their inability to become viable, because of their limited size. Diversification at farm level is still at an early stage in the case of small farms, but it could be a solution given the difficulties caused by the limited resources and the age of farmers.



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*Recommendations:* It is recommended to improve the link between activities and cooperation between small households, in order to promote a market network in the territory and to promote products on the local market and in restaurants.

*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 out of total farmers is higher compared to other European countries, but abandonment remains a significant challenge for the development of mountain areas.

sM 6.1 facilitates the creation and finding of a job in the mountain area and helps improve economic activities, while sM 4.1 and 6.3 support farmers (in many cases young farmers) and determine their establishment in the mountain area.

*Recommendations:* For maintaining and setting up of young farmers in the mountain area, the following are recommended:

- Further support to young farmers by giving them the opportunity to improve their level of knowledge under Measures 1 and 2;
- Enhance communication on the cooperation possibilities under measures 9 and 16.

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

*Conclusions:* sM 4.2 has significantly contributed to increasing market participation and diversification of agriculture, while sM 4.1 has helped improving the economic performance and competitiveness of beneficiaries.

In the mountain area there is a high potential for producing diversified agricultural products which is not fully exploited by the food sector. The allocated funds have strengthened the primary sector but have failed to strengthen the development of the food processing sector due to lack of collaboration and insufficient knowledge of modern farming practices.

*Recommendations:* In order to ensure an effective and impactful implementation of the NRDP, the following are recommended:

- Promote extensive professional services to support the establishment of producer groups, certification of products, etc.;
- Promote the activities of sM 9.1 and the implementation of measures 1 and 2;
- Promote the implementation of the financial instruments, in order to facilitate access to credits and to increase the submission capacity within sM 4.2.



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

*Conclusions:* The investments made under the NRDP (sub-measures 4.1, 6.1, 6.3) and the compensatory payments for areas with natural constraints (Measure 13) are very important and necessary to reduce the phenomenon of abandonment of agricultural land in the mountain area.

*Recommendations:* In order for the system of measures to be 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.

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

*Conclusions:* The investments made under submeasures 4.3, 6.2, 6.4, 7.2, 19.2 have contributed to the development of services in the rural area, improving the living standard of the population.

NRDP contributes positively to social inclusion and local development in mountain areas, mainly due to the fact that the implemented measures and LDSs create employment opportunities for young people, men and women. At the same time, some LAGs have already adopted specific selection criteria for the LDSs, which are related to social inclusion.

*Recommendations:* It is recommended to consider the possibility of updating over time the analysis of tourism potential of the Romanian territory and mountain areas, also based on the evolution of local activities and participation of local stakeholders in tourism sector.

Also, it is recommended to undertake a specific analysis on how LEADER has contributed to social inclusion, during the next phases of the programme implementation.

Moreover, it is recommended to adopt specific selection criteria within the measures, in order to promote social inclusion, poverty reduction and economic growth.

*Criterion: preservation of cultural heritage in the mountain area*

*Conclusions:* The activities undertaken within the NRDP in terms of cultural heritage can be generally considered positive: financial resources have been concentrated in regions that show more dynamism and a better capacity in terms of tourism development.

*Recommendations:* It is recommended to consider the possibility of updating over time the analysis of tourism potential of the Romanian territory and mountain areas, also based on the evolution of local activities and participation of local stakeholders in tourism sector.

Moreover, the programme could develop new uses for cultural heritage, not only to preserve but also to innovate for improved presentation and transfer, especially to younger generations. This can help to



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answer the needs to better capitalise on the cultural heritage in mountain areas by changing the context and creating added value not only for the tourists, but also for the local people.

*Criterion: Reducing greenhouse gas and ammonia emissions and adapting to climate change in the mountain area*

*Conclusions:* NRDP has contributed to the reduction of GHG emissions in the mountain area, increasing the area covered by the commitments under sM10.1 (encouraging traditional farming practices). NRDP has stimulated innovation in mountain areas also through sM 4.1, 6.1 and 6.3, contributing to a reduction in GHG emissions.

*Recommendations:* In order to accelerate the programme's implementation process and increase attractiveness, further efforts are required to enhance the knowledge of potential beneficiaries on the funding opportunities under sM 15.1 and to increase the capacity of potential applicants in project preparation, while also providing information about the specific commitments. In addition, it is important to stimulate access to the less demanded packages of sM10.1 (in particular P2 and P6), for example by increasing support for beneficiaries during the submission and implementation phase.

At the same time, it is recommended to introduce selection criteria based on the principle of reducing greenhouse gas and ammonia emissions for sM 4.1, 4.3, 6.1 and 6.3.

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

*Conclusions:* NRDP has directly contributed to maintaining the biodiversity of agricultural land, having incremented the surface under environmental commitments (M10) and organic farming (M11). There is also a possible positive contribution to the preservation of biodiversity and the natural environment under other measures, such as submeasures 6.1 and 6.3.

*Recommendations:* It is recommended to stimulate the access to the packages that are relevant for the conservation of biodiversity and less accessed under sM 10.1 (especially P2, P6, P7 and P8). A possible way to stimulate the access is to provide support to beneficiaries during the submission process and even during the implementation period.

It is recommended to provide additional support for improving the knowledge of beneficiaries under sM 8.1 and 15.1. At the same time, under sM 8.1, it is recommended to introduce a compulsory condition for the signing of the commitment, to modify the nature of the land - from agricultural land with forest vegetation to forest.

Moreover, the conservation of biodiversity could be further addressed through sM6.1 and 6.3 by including specific selection criteria within these submeasures, specifically addressing issues related to biodiversity conservation.

## 2. Introduction

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### 2.1 Purpose of the evaluation study

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 on-going evaluation process of NRDP 2014 - 2020 is carried out in accordance with the provisions of the legal framework established at European and national level, namely:

- Law no. 98/2016 related to public procurement;
- Government Decision no. 395 of 2 June 2016 for the approval of the Methodological Norms for the application of the provisions regarding the award of the public procurement contract / framework agreement of Law no. 98/2016 on public procurement;
- Government Decision no. 30/2017 on the organization and functioning of the Ministry of Agriculture and Rural Development;
- Regulation (EU) No. 1303/2013 for establishing common provisions for all ESI funds;
- Regulation (EU) No. 1305/2013 of the European Parliament and of the Council, as of 17 December 2013, on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EC) No. 1698/2005;
- Regulation for implementation (EU) No. 808/2014 for establishing detailed rules for the implementation of Regulation (EU) No. 1305/2013;
- Commission Regulation (EC) No 809/2014 of 17 July 2014 for establishing detailed rules for the application of Council Regulation (EU) No. 1306/2013 of the European Parliament and of the Council with regards to the integrated administration and control system, rural development measures and cross-compliance;
- Regulation for implementation (EU) No. 184/2014 for establishing, according to Council Regulation 1303/2013, the terms and conditions applicable to the electronic data interchange system between the Member States and the Commission (SFC2014);
- Provisions of the National Rural Development Programme 2014-2020;
- Guidance documents developed by the European Commission together with the European Assessment Bureau for Rural Development.



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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.

Romanian mountain area is labeled under the NRDP 2014-2020 on the basis of the provisions of art. 32 par. 1 let. (a) of Regulation (EU) No. 1305/2013, while the list of eligible mountain areas can be found in Annex 8.2 - List of eligible areas M 10, M 11, M 13 of the National Rural Development Programme 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 the Memorandum no. 6941 / 21.05.2014 on the approval of the National Strategic Guidelines for the Sustainable Development of the Less-favored Mountain Area for the period 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.

## 2.2 Structure of the evaluation study

The content of the evaluation study was defined according to the requirements presented within the contract award documentation and working methodology, agreed by the Contracting Authority.

The Evaluation study IV - Mountain area - includes information on the following: the context of the evaluation in the mountain area (national policies, relevant needs, beneficiaries and target groups in the mountain area etc.); details of the main elements and methodological tools applied during the evaluation process; the content of the NRDP 2014-2020 in terms of adopted strategies and planned financial allocations specifically for the mountain area; answers to 11 evaluation questions – according to the information of chapter 6 "*Answers to the evaluation questions*"; the overall analysis of the effectiveness, efficiency and relevance of the support allocated by the programme in the mountain area etc.

Based on the answers given to the evaluation questions, a series of conclusions and recommendations on the implementation of the NRDP in the mountain area were formulated, which are presented in chapter 8 "*Conclusions and Recommendations*". At the same time, the findings presented within the evaluation study are based on the information included in the annexes, namely: additional analyses of the quantitative and qualitative information, answers obtained from the questionnaire survey, case study reports etc.

## 3. Evaluation context

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### 3.1 Analysis of the implementation context of NRDP in mountain area

#### 3.1.1 Relevant national policies

The National Strategic Guidelines for the Sustainable Development of the Less-Favored Mountain Area 2014-2020 is one of the reference documents that brings together the main directions to be followed in order to ensure the attractiveness and sustainable development of the less-favored mountain area, by capitalizing on resources, stabilizing the population migration, and the increase of economic power at local level, in the conditions of preserving the ecological balance and the protection of the natural environment. In this respect, the following general objectives have been defined<sup>1</sup>:

1. Increasing economic competitiveness;
2. Increasing the attractiveness of the less-favored mountain area and stabilizing the population of the mountain area;
3. Improving the quality of environmental factors in the less-favored mountain area and preserving biodiversity;
4. Preservation and capitalization of cultural resources.

The implementation of the national strategic objectives for the sustainable development of the less-favored mountain area will take place between 2014 and 2020, which overlaps with the programming period for EU funds and policies (2014-2020). The implementation of the strategic objectives, by all the stakeholders of Romania, will be monitored and evaluated along the way, and at the end of 2020, they will be revised in order to prepare for the next programming period (2021-2027).

#### 3.1.2 Social and economic needs that motivate the support

The information highlighted in the following chapter is based on the context analysis carried out under the National Strategic Guidelines for Sustainable Development of the Less-Favored Mountain Area 2014-2020, Section II.

The Romanian mountain area encompasses 658 ATUs (20% of the total ATUs at national level), with an area of 71.341 sq. Km, which represents 30% of the total country's surface (238.391 sq. Km).

This is distinguished from other regions by natural disadvantages (altitude, climate, slope, low soil fertility, shorter vegetation periods) and structural disadvantages such as the population decline and the reduction

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<sup>1</sup> National Strategic Guidelines for Sustainable Development of the Less-Favored Mountain Area 2014-2020, page 17, available at: <http://www.madr.ro/orientari-strategice-nationale-pentru-dezvoltarea-durabila-a-zonei-montane-defavorizate-2014-2020.html>





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of youth, far distances to administrative or decision-making centers, isolation from communication routes and markets.

Being behind in terms of economic and social development, due to difficult natural conditions, mountain area has begun to face the phenomenon of abandonment, especially among young people who are looking for better living conditions and higher incomes in urban centers or other countries.

According to the data provided by the National Institute of Statistics, in the last years, the population of the mountain area has steadily decreased, from 3.361.070 inhabitants in 2005 to 3.270.793 inhabitants in 2011. The most significant reduction (-16%) was registered in the category of people aged 0 to 19 years, while in the age group of over 65 years there was an increase (+ 2.6%), a gap indicating a tendency towards an aging population.

Agriculture is the main economic activity in the mountain rural area. According to the European Commission data<sup>2</sup>, 19,7% of the utilized agricultural area, 18,5% of the labor force directly involved in agriculture, 17,6% of the total number of farmers and 19,5% of the total number of animals can be found in the mountain area.

According to the same data, the average size of the farm is 3,9 ha (the third smallest average among the EU states with mountain areas). Small farms are vulnerable, and many of them have limited prospects of improving their economic performance and gain market share. These farms generally operate with poor technical facilities and apply traditional agricultural practices with low economic efficiency, while also facing difficulties in adapting to new technologies.

Another disadvantage of the mountain area is represented by the low market share, but also by the low number of processing units, while both aspects influence the transport costs and the final costs of the processed products.

Infrastructure and basic services (roads, water supply and wastewater infrastructure) in rural communities, including those in the mountain areas, are insufficient and inadequate both in terms of quality and functionality. Although in recent years the basic infrastructure has been supported by national and European funds, it is still underdeveloped, which affects economic growth and accentuates the structural disparities between the mountain area and the other areas of Romania.

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<sup>2</sup> European Commission (2013), *Labelling of agricultural and food products of mountain farming*, JRC Scientific and Policy Reports

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### 3.1.3 Identifying beneficiaries or other target groups

The following table shows the correspondence between the 2014-2020 NRDP submeasures, the types of target beneficiaries or other target groups and the relevance of the interventions supported by each submeasure in relation to the development of the mountain area:

Submeasures	Types of beneficiaries	Relation to the mountain area
Submeasure 1.1 - Support for vocational training and skills acquisition actions	<ul style="list-style-type: none"> <li>Public or private entities operating in the field of professional training of adults, that meet the eligibility and selection criteria.</li> </ul>	The projects within this submeasure cannot be located on a specific territory, but they might have an impact on the territory of the mountain area
Submeasure 1.2 - Support for demonstration projects/information actions	<ul style="list-style-type: none"> <li>Public and/ or private entities operating in information/ demonstration and/ or dissemination sector.</li> </ul>	The projects within this submeasure cannot be located on a specific territory, but they might have an impact on the territory of the mountain area
Submeasure 2.1 – Advisory services for farmers, young farmers, micro-enterprises and small enterprises in rural areas	<ul style="list-style-type: none"> <li>Providers of advisory services that are public and / or private entities established under the applicable legislation, selected on the basis of a public procurement procedure.</li> </ul>	The projects within this submeasure cannot be located on a specific territory, but they might have an impact on the territory of the mountain area
Submeasure 4.1 - Investments in agricultural holdings	<ul style="list-style-type: none"> <li>Farmers, except the unauthorized individuals;</li> <li>Cooperatives (agricultural cooperatives and agricultural cooperative societies), producer groups established under the national legislation in force serving the interests of its members.</li> </ul>	Submeasure with specific allocation for the mountain area, within which there were contracted projects located in the mountain area, by the end of 2017
Submeasure 4.1 a - Investments in fruit-growing holdings	<ul style="list-style-type: none"> <li>Farmers, except the unauthorized individuals;</li> <li>Producer and cooperative groups operating in the fruit-growing sector provided that the investments made serve the interests of its members.</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017.

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Submeasures	Types of beneficiaries	Relation to the mountain area
Submeasure 4.2 Support for investments in processing/marketing of agricultural products	<ul style="list-style-type: none"> <li>Enterprises, cooperatives and producer groups defined in accordance with national legislation in force (referred to in References to other legal acts).</li> </ul>	Submeasure with specific allocation for the mountain area, within which there were contracted projects located in the mountain area, by the end of 2017
Submeasure 4.2a - Investments in processing/marketing products in the fruit-growing sector	<ul style="list-style-type: none"> <li>Enterprises defined in accordance with the national legislation in force;</li> <li>Producer groups and cooperatives, defined according to the national legislation in force, provided that the investments made serve the interests of its members.</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017.
Submeasure 4.3 - Investments for the development, modernization or adaptation of agricultural and forestry infrastructure	<p><i>Agricultural</i></p> <ul style="list-style-type: none"> <li>Territorial administrative units and/ or their associations established according to the national legislation in force.</li> </ul> <p><i>Forestry</i></p> <ul style="list-style-type: none"> <li>Legal entities / other forms of organization of forest owners and / or their associations according to the legislation in force;</li> <li>Territorial administrative units and/ or their associations, forest owners, according to the legislation in force;</li> <li>The trustee of the forestry area – public property of the state - according to the legislation in force.</li> </ul> <p><i>Irrigation</i></p> <ul style="list-style-type: none"> <li>Organizations / federations of water users set up in accordance with the legislation in force, consisting of owners / users of agricultural land.</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017.
	<ul style="list-style-type: none"> <li>The young farmer as defined in art. 2 of R (EU) No. 1305/2013, who establishes himself as the sole head of the agricultural holding;</li> </ul>	Submeasure with specific allocation for the mountain area, within which there

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Submeasures	Types of beneficiaries	Relation to the mountain area
Submeasure 6.1 – Business start-up aid for young farmers	<ul style="list-style-type: none"> <li>A legal entity with several shareholders where a young farmer, as defined in Art. 2 of R (EU) No. 1305/2013, shall exert effective long-term control over management decisions, benefits and financial risks related to the holding and possess at least 50% + 1 of the shares.</li> </ul>	were contracted projects located in the mountain area, by the end of 2017
Submeasure 6.2 – Business start-up aid for non-agricultural activities in rural areas	<ul style="list-style-type: none"> <li>Farmers or members of an agricultural household that diversify their activity by setting up a non-agricultural activity in rural areas for the first time.</li> <li>Micro and small enterprises in rural areas that offer non-agricultural activities, which they have not carried out until the moment of applying for support;</li> <li>New micro and small enterprises set up in the year of the grant application or with a maximum of 3 years old (fiscal years), which did not carry out activities until the moment of the application.</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017.
Submeasure 6.3 - Support for the development of small farms	<ul style="list-style-type: none"> <li>Farmers who have the ownership rights and/ or right of use for an agricultural holding that fits in the small farm category, according to the relevant definition, except for unauthorized individuals.</li> </ul>	Submeasure with specific allocation for the mountain area, within which there were contracted projects located in the mountain area, by the end of 2017
Submeasure 6.4- Support for investments in creation and development of non-agricultural activities	<ul style="list-style-type: none"> <li>Micro-enterprises and small non-agricultural enterprises which exist or are newly established in rural areas;</li> <li>Farmers or members of agricultural households that diversify their agricultural basic activity by developing a non-agricultural activity in the rural area within the existing enterprise that fits in the</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017.

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Submeasures	Types of beneficiaries	Relation to the mountain area
	category of micro-enterprises or small businesses, except for unauthorized individuals.	
Submeasure 6.5 - Payments to eligible farmers under the scheme for small farmers permanently transferring their holding to another farmer	<ul style="list-style-type: none"> <li>Farmers whose holdings meet the small farm criteria under the simplified scheme of Pillar 1 and have applied this scheme for at least one year under Title V of R (EU) No. 1307/2013.</li> </ul>	Submeasure within which there were no contracted projects located in the mountain area, by the end of 2017.
Submeasure 7.2 - Support for investment in the creation, improvement and expansion of all types of small-scale infrastructure, including renewable energy and energy-saving systems	<ul style="list-style-type: none"> <li>Municipalities and their associations according to the national legislation in force;</li> <li>NGOs for investment in educational (kindergartens) and social infrastructure (crèches and after-school infrastructure)</li> </ul>	Submeasure with specific allocation for the mountain area, within which there were contracted projects located in the mountain area, by the end of 2017
Submeasure 7.6 - Investments associated with the protection of cultural heritage	<ul style="list-style-type: none"> <li>Communes;</li> <li>NGOs;</li> <li>Worship units;</li> <li>Authorized Natural Persons/ commercial companies which own Class B public cultural heritage objectives.</li> </ul>	Submeasure with specific allocation for the mountain area, within which there were contracted projects located in the mountain area, by the end of 2017
Submeasure 8.1 – Support for afforestation and creation of woodland	<ul style="list-style-type: none"> <li>Public and private owners of agricultural and non-agricultural land and their associative forms. In the case of State-owned land, support can only be granted if the managing authority of the land is a private entity or a territorial administrative unit (TAU)- level LAU 2.</li> </ul>	Submeasure within which there were no contracted projects by the end of 2017.
Submeasure 9.1 - Establishment of producer groups and organizations in agriculture and forestry	<ul style="list-style-type: none"> <li>Producer groups in the agricultural sector (excluding groups supported by the "fruit-growing" sub-programme) which fall under the definition of SMEs and have been officially recognized by the competent authority before requesting support, but after 1 January 2014.</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017.



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Submeasures	Types of beneficiaries	Relation to the mountain area
Submeasure 9.1a - Establishment of producer groups in the fruit-growing sector	<ul style="list-style-type: none"> <li>• Producer groups in the fruit-growing sector which fall under the definition of SMEs and have been officially recognized by the competent authority before requesting support, but after 1 January 2014.</li> </ul>	Submeasure within which there were no contracted projects by the end of 2017.
Submeasure 10.1 – Agri-environment and climate payments	<ul style="list-style-type: none"> <li>• Farmers (users of agricultural land) for packages 1 to 7</li> <li>• Farmers (users of agricultural land) -Maintaining pure breeds that are in danger of abandonment for package 8</li> </ul>	Submeasure within which there were signed commitments located in the mountain area, by the end of 2017.
Submeasure 11.1 - Payment for conversion to organic farming practices and methods	<ul style="list-style-type: none"> <li>• Active farmers (users of agricultural land) registered within the ecological agricultural system.</li> </ul>	Submeasure within which there were signed commitments located in the mountain area, by the end of 2017.
Submeasure 11.2 - Support for maintaining organic farming practices and methods	<ul style="list-style-type: none"> <li>• Active farmers (users of agricultural land) registered within the ecological agricultural system.</li> </ul>	Submeasure within which there were signed commitments located in the mountain area, by the end of 2017.
Submeasure 13.1 – Compensatory payments in the mountain area	<ul style="list-style-type: none"> <li>• Active farmers</li> </ul>	Submeasure addressed exclusively to the mountain area, within which there were signed commitments, by the end of 2017.
Submeasure 13.2 - Compensatory payments for areas facing significant natural constraints	<ul style="list-style-type: none"> <li>• Active farmers</li> </ul>	Submeasure within which there were no contracted projects located in the mountain area, by the end of 2017
Submeasure 13.3 - Compensatory payments for other areas facing specific constraints	<ul style="list-style-type: none"> <li>• Active farmers</li> </ul>	Submeasure within which there were no contracted projects located in the mountain area, by the end of 2017
Submeasure 15.1 - Payments for climate and forest-environment commitments	<ul style="list-style-type: none"> <li>• Land owners of the National Forestry Area, who could be:                             <ul style="list-style-type: none"> <li>– private property of individuals and legal entities</li> </ul> </li> </ul>	Submeasure within which there were no contracted projects by the end of 2017.

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Submeasures	Types of beneficiaries	Relation to the mountain area
	<ul style="list-style-type: none"> <li>– public property of territorial administrative units</li> <li>– private property of territorial administrative units</li> <li>• Associations of the landowners mentioned above.</li> </ul>	
Submeasure 16.1 - Support for establishment and operation of operational groups (GO), for the development of pilot projects, of new products	<ul style="list-style-type: none"> <li>• Operational Groups (OG).</li> </ul>	Submeasure within which there were no contracted projects by the end of 2017.
Submeasure 16.1a - Support for establishment and operation of operational groups (OG), for development of pilot projects, products and processes in the orchard sector	<ul style="list-style-type: none"> <li>• Operational Groups (OG).</li> </ul>	Submeasure within which there were no contracted projects by the end of 2017.
Submeasure 16.4 - Support for horizontal and vertical cooperation among actors in the supply chain	<p>Partnerships consisting of at least one partner in the categories below and at least one farmer or a producer / cooperative group operating in the agricultural sector.</p> <ul style="list-style-type: none"> <li>– Farmers;</li> <li>– Micro and small enterprises;</li> <li>– Non-Governmental Organizations;</li> <li>– Local Councils;</li> <li>– Public education units, sanitary units, recreation and utility supply providers</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017
Submeasure 16.4a - Support for horizontal and vertical cooperation among actors in the supply chain in orchard sector	<ul style="list-style-type: none"> <li>– Partnerships consisting of at least one partner in the categories below and at least one farmer or a producer / cooperative group operating in the fruit-growing sector:</li> <li>– Farmers;</li> <li>– Micro and small enterprises;</li> <li>– Non-Governmental Organizations according to the national legislation;</li> <li>– Local Councils;</li> <li>– Public education units, sanitary units, recreation and utility supply providers</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017

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Submeasures	Types of beneficiaries	Relation to the mountain area
Submeasure 17.2 — Mutual funds for adverse climatic phenomena, animal and plant diseases, parasitic infestations and environmental incidents	<p>Direct beneficiaries:</p> <ul style="list-style-type: none"> <li>Mutual funds for agriculture established and accredited by the Ministry of Agriculture and Rural Development in accordance with the national legislation in force (Government Emergency Ordinance No. 64/2013, as amended and supplemented);</li> </ul> <p>Indirect beneficiaries:</p> <ul style="list-style-type: none"> <li>Active farmers as defined in art. 9 of Regulation no. 1307/2013, which have subscribed to mutual funds for agriculture, as defined in this measure and in accordance with the national legislation.</li> </ul>	Submeasure within which there were no contracted projects by the end of 2017.
Submeasure 19.1 - Preparatory support for the development of local development strategies	<ul style="list-style-type: none"> <li>Existing authorized partnership, according to EO 206/2000;</li> <li>New partnership without being a legal entity.</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017
Submeasure 19.2 - Support for implementation of operations within the local development strategy	<ul style="list-style-type: none"> <li>Private / public entities, established through the measure sheet of the LDS, in compliance with the provisions of Reg. EU 1305/2013;</li> <li>LAGs for certain actions of public interest for the community and territory identified in the LDS, for which no other applicant has shown interest and for which there are applied measures to avoid conflicts of interest.</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017
Submeasure 19.3 - Preparation and implementation of Local Action Group cooperation activities	<ul style="list-style-type: none"> <li>Local Action Groups authorized by the NRDP for the 2014-2020 programming period</li> </ul>	Submeasure within which there were no contracted projects by the end of 2017.
Submeasure 19.4 - Support for operational costs and animation	<ul style="list-style-type: none"> <li>Local Action Groups authorized by the NRDP for the 2014-2020 programming period</li> </ul>	Submeasure within which there were contracted projects located in the mountain area, by the end of 2017





## 3.2 Description of the evaluation process: description of the terms of reference, scope and objectives of the evaluation

### 3.2.1 Description of the terms of reference

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 the specific NRDP evaluation questions no. 1-10 in relation to the mountain area, following to be reported to AIR 2017:

1. To what extent have the NRDP interventions contributed to improving the economic performance, to restructuring and modernization of the supported farms in the mountain area, particularly through increased participation in the market and the agricultural diversification?
2. To what extent have the NRDP interventions contributed to the development of small farms in the mountain area, through structural change and openness to the market of the small farms, as well as through increasing the ability to identify new market opportunities for their production?
3. To what extent have the NRDP interventions contributed to maintaining and installing young farmers in the mountain area?
4. To what extent have the NRDP interventions contributed to reducing the GHG and ammonia emissions generated by the agriculture in the mountain area?
5. To what extent have the NRDP interventions supported the investments in the processing and marketing of the agricultural products in the mountain area?
6. To what extent have the NRDP interventions contributed to the improvement of the lives of people in the mountain area?
7. To what extent the NRDP interventions supported the cultural heritage of the mountain area?
8. To what extent have the NRDP interventions contributed to the sustainable management of forests and to the conservation of biodiversity in the mountain area?
9. To what extent have the NRDP interventions supported the investments in the mountain area in terms of investment typology, size and sector?
10. To what extent the implementation framework developed through NRDP in order to support the mountain areas has best responded to the needs of the area?

Taking into consideration the specific nature of the NRDP interventions referring to the mountain area, following the analyses carried out by the evaluation team and the discussions undertaken with the MA, it was considered appropriate to introduce an additional evaluation question, namely:



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11. To what extent have the NRDP interventions contributed to the stoppage of abandonment of agricultural land in the mountain area?

Also, evaluation question 4 was reformulated in order to include the effect of the interventions in the mountain area in relation to the adaptation to climate change. Thus, the evaluation question will be formulated as it follows:

4. To what extent have the NRDP interventions contributed to the reduction e of GHG and ammonia emissions generated by agriculture in the mountain area and adaption to climate change?

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



*The structuring phase* aims to establish a clear understanding of the assessment tasks and to prepare the set of information and data as well as the analytical tools needed to answer the evaluation questions.

*The observation phase* is designed to identify the information that is available and relevant to the on-going evaluation process of the NRDP. During this stage, the team of evaluators identifies information sources, data collection tools and methods, as well as methods for verifying the validity and usefulness of collected qualitative and quantitative data.

*The analysis phase* involves the use of methods and techniques for processing, compiling and synthesizing available information, while also utilizing tools and techniques for the triangulation of findings, in order to increase the credibility of conclusions related to the effects and impact observed by evaluators.



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*In the assessment / evaluation phase*, the team of evaluators develops responses to all the evaluation questions and formulates conclusions and recommendations in line with the analyses carried out in previous stages.

### 3.2.2 Scope and objectives of the evaluation

The on-going evaluation of rural development programmes is a legal requirement. The overall purpose of the evaluation, including the on-going evaluation, is focused on three levels, namely improving the quality, efficiency and effectiveness of implementing rural development programmes.

In general, the evaluations should analyze the impact of the programmes in relation to the community strategic guidelines and the rural development objectives that are specific to the Member States and regions concerned.

Thus, the on-going evaluation of the NRDP aims at analyzing 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 implementation of the programme) and the socio-economic impact generated by the programme interventions in relation to the sustainable and balanced development of the Romanian rural area.

The overall objective of the contract is to elaborate the evaluation studies on the NRDP 2014-2020, both the mandatory ones, stipulated by the European regulations, and those identified by the Managing Authority, over the course of four years, during 2017-2020. Seven evaluation studies will be provided, out of which two are represented by the assessment studies needed to prepare the annual consolidated implementation reports, to be transmitted to the European Commission in 2017 and 2019, and five thematic evaluation studies on the following issues: Performance Framework, Mountain Area, Small farm and the development of associative forms, the Administrative Capacity in the implementation of NRDP and the Environment and Climate Measures of the NRDP 2014-2020.

In addition to the seven evaluation studies, during the implementation period of the contract, starting 2017, with an annual frequency 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 achievement of objectives of each measure within the NRDP.



### 3.3 Short summary of the previous relevant programme evaluations

In accordance with the provisions of the European regulations, in the programming period 2014-2020, the control of European funds is carefully monitored, so that all relevant stakeholders can be provided with useful information on the outcomes 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 and to assess its effectiveness, efficiency and impact in relation to Romania's specific needs and problems of rural development.

NRDP 2014-2020 was evaluated before its implementation, through the ex-ante evaluation and the strategic environmental assessment, as well as during the implementation period, through the on-going evaluation and elaboration of the Evaluation Study I - AIR 2016.

Following next is a brief description of the key previous relevant evaluations carried out for NRDP 2014-2020

#### *The ex-ante evaluation of NRDP 2014-2020*

General objective: improving the quality of the National Rural Development Programme 2014-2020 and providing recommendations to improve and ensure programme coherence by identifying and evaluating the problems.

Duration of the evaluation activities: December 2013 - March 2015

Basis for the evaluation in terms of legislation and community regulations:

- Regulation (EU) no. 1303/2013;
- Regulation (EU) no. 1305/2013;
- Regulation (EU) no. 1306/2013.

Aspects analyzed during the evaluation:

1. Assessing the context and the needs highlighted in rural areas, as well as the external and internal coherence of the Programme;
2. Measuring the progress and results of the Programme;
3. Analyzing the planned arrangements for the implementation of the Programme;
4. Evaluating the horizontal themes.



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*The strategic Environmental Assessment of NRDP 2014-2020*

The overall objective of the Strategic Environmental Assessment (SEA) of the National Rural Development Programme 2014-2020 was to integrate the environmental aspects, with the aim of ensuring a high level of environmental protection and contribution to the sustainable development of Romania. The Strategic Environmental Assessment examined whether potential significant environmental impacts generated by the implementation of the NRDP 2014-2020 are identified, described, evaluated and taken into account during the drafting and implementation processes of the programme.

Duration of the evaluation activities: December 2013 – March 2015

Basis for the evaluation in terms of legislation and community regulations:

- Regulation (EU) no. 1305/2013;
- Regulation (EU) no. 1303/2013;
- Directive 2001/42 / EC of the European Parliament and of the European Council on the assessment of the effects of certain plans and programmes on the environment;
- Government Decision (GD) no. 1076/2004 on establishing the procedure for carrying out the environmental assessment for plans and programmes;
- Directive 92/43 / EEC (Habitats Directive);
- Order of the Ministry of Environment no. 117/2006 approving the GD Implementation Manual no. 1076/2004;
- Order of the Ministry 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 Ministry of Environment no. 985/2006 for the approval of the indicative list of plans and programmes falling within the scope of GD no. 1076/2004.

Aspects analyzed during the evaluation:

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



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

The overall objective of the Evaluation study I was to evaluate the relevance, effectiveness and efficiency of NRDP interventions, as well as the impact and success or failure aspects of the programme. Thus, through the elaboration of the study, it was done the analysis on how the rural development programme has responded to the current needs of Romania, as well as the extent to which the programme has contributed to the priorities established at the level of the European Union.

Duration of the evaluation activities: April 2017 – September 2017

Aspects analyzed during the evaluation:

- Quantification of programme's achievements and assessment of the relevance, effectiveness and efficiency of NRDP interventions, as well as the impact and the success or failure aspects of the programme;
- Analyzing the contribution of NRDP interventions to achieving horizontal objectives;
- Establishing synergies between the priorities and the programme's intervention areas;
- Assessment of the deliverable mechanisms of NRDP;
- Evaluating the contribution of the funds allocated to technical assistance to the achievement of the objectives;
- Evaluating the contribution of NRDP interventions to the achievement of the objectives set for each rural development priority, but also to achieving the thematic objectives;
- Evaluating the compliance with horizontal principles during the implementation of the programme on (a) promoting equality between men and women and non-discrimination, (b) sustainable development, (c) the role of the partners referred to in art. 5, 7, 8 of the EU Regulation no. 1303/2013 in the implementation of the programme.



## 4. Methodology

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

The methodology approached for the elaboration of the evaluation study IV on the mountain area includes a mix of methods combining the literature review, the collection and analysis of administrative data, questionnaire based survey, interviews, case studies, quantitative methods for the analysis of the indicators, the logic model and the focus group.

The literature review is a cross-cutting method used for the preliminary analysis of the background and for completing the answers to the evaluation questions. Starting from the statistics on the holdings and agricultural products in Romania, several specific analyses available at the level of the literature (on forestry, climate change, biodiversity and many others) have been taken into account as reference terms.

For each source, a fiche of the literature review was produced, which is presented in Annex 6.

The literature review also represents an analysis of the international context and highlights the most relevant findings applicable to similar mountain areas that have been used as milestones to deepen the context analysis at national level.

The main criteria for selecting the documents included in the literature review were: (1) the availability; (2) the relationship with the evaluation topic and (3) the reference to sources of high scientific reputation (scientific articles / evaluations / public policy papers).

The collection and analysis of administrative data substantiates the methodological approach assigned to the evaluation questions. The analysed administrative data mainly referred to the territories included in the mountain area and they were used for at least four purposes:

- 1) Administrative data on contracted and completed projects were used to select the sample of beneficiaries for questionnaires and case studies.
- 2) The analysis of the administrative data was the first stage of the evaluation, which analysed the measures / sub-measures and the program implementation, respectively, on the basis of which the field research was planned and prepared.
- 3) Defining the discussion themes and directing the discussions during the interviews with the key actors. There were organized and conducted interviews with the authorities involved in the programme



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management and with other key actors in order to discuss the progress of the interventions funded through NRDP, especially at the mountain area level, starting from the existing administrative data.

4) For measures 10-11-13, a comparative analysis was carried out per types of area (mountain area, area with significant constraints or other specific constraints, normal area), taking into account the evolution of the number of beneficiaries and of the surfaces subject to signed commitments (2015, 2016, 2017 campaigns).

The collection and analysis of the administrative data related to the projects located in the mountain area allows the focus on the procedural aspects (eg number of contracted and completed projects, the surface of the agricultural holdings, analysis of the selection criteria, etc.) and on the preliminary achievements (eg analysis of the financial and output indicators, according to the objectives of the programme).

The evaluation team conducted a series of semi-structured interviews with the representatives of the Managing Authority and other relevant key stakeholders (AFRI, APIA, Mountain Area Agency, Ministry of Waters and Forests, Association of Communes in Romania) to collect information on the implementation state of play and on the aspects specific to each measure and field of intervention, obstacles and bottlenecks encountered, and suggestions for improving the programme.

The questionnaire survey used as a tool the questionnaire applied among the beneficiaries of the NRDP 2014-2020 with projects contracted and finalized by 31/12/2017. The questionnaire survey applied among the beneficiaries allowed to collect a relevant number of responses at the level of each sample established through the methodology of work for the elaboration of the Evaluation Study IV - Mountain Area.

The results of the questionnaire survey are presented in Annex 2 of the study.

The evaluation team performed five case studies for projects located in the mountain area, funded through NRDP 2014-2020 and finalized by 31/12/2017. The case studies were conducted as field visits at the project implementation locations and they were concluded by elaborating individual analysis reports available in Annex 3 of this evaluation study.

The analysis of the intervention logic of the five case studies is presented in Annex 4 of the study.

The focus group was organized in order to complete the qualitative information collected through the questionnaires, case studies and interviews, as well as in order to complete the answer to the evaluation question 10 "*To what extent the implementation framework developed through NRDP in order to support the mountain area has best responded to the needs of the area?*" and to validate the preliminary conclusions highlighted in the evaluation activities. The meeting was attended by the representatives of public institutions involved in the management and implementation of the NRDP (MA of NRDP, AFRI, APIA) and by other key actors representative for the development of the mountain area (Mountain Area





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Agency, Association of Communes in Romania, National Federation of LAGs, LAGs from the mountain area, etc.).

The logic model has been used to rebuild the intervention logic and to verify the modifications and updates made in the different versions of the NRDP. The method will mainly be used to answer the evaluation question no. 10.

The central notion of the logic 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, when the case, a subsequent event or action. The elaboration of a logic model is therefore based on identifying a causal link between the internal and external elements of a programme / intervention. The inputs / resources are linked on different levels to the programme results, each of them being a means of generating the next superior level of results.

The reconstruction of the intervention logic involved the analysis of all the measures financed through the NRDP 2014-2020, which also address the mountain area, based on the last approved version of NRDP 2014-2020 (version V, approved in June 2017). The second level of the analysis is related to the output indicators and the way they are set in relation to the relevant measures. The third level of the logic model is related to the intervention areas and the 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 to integrate the interventions financed by the programme.

Quantitative analysis methods. In order to substantiate the answer to the evaluation question 10, the evaluation team carried out a territorial analysis, correlating the monitoring data regarding the NRDP funding value in the mountain area (finalized and contracted projects in the period 2015-2017) with the indicators available in the TEMPO database of the National Institute of Statistics regarding the possible influences / effects generated by the NRDP interventions in the mountain area, presented in Annex 5 of the study.

The following table illustrates the methodology used to formulate answers to the evaluation questions:



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	Evaluation questions	Administrative data	Literature review	Questionnaires	Interviews	Case studies	Focus group	Quantitative methods
1	To what extent have the NRDP interventions contributed to improving the economic performance, to restructuring and modernization of the supported farms in the mountain area, particularly through increased participation in the market and the agricultural diversification?	x	x	x	x	X		
2	To what extent have the NRDP interventions contributed to the development of small farms in the mountain area, through structural change and openness to the market of the small farms, as well as through increasing the ability to identify new market opportunities for their production?	x	x	x	x	X		
3	To what extent have the NRDP interventions contributed to maintaining and installing young farmers in the mountain area?	x	x	x	x	X		
4	To what extent have the NRDP interventions contributed to the reduction of GHG and ammonia emissions generated by agriculture in the mountain area and adaption to the climate changes?	x	x	X	x			
5	To what extent have the NRDP interventions supported the investments in the processing and marketing of the agricultural products in the mountain areas?	x	x	x	x	X		
6	To what extent have the NRDP interventions contributed to the improvement of the lives of people in the mountain areas?	x		x	x	X		
7	To what extent the NRDP interventions supported the preservation of the cultural heritage of the mountain areas?	x	x	x	X			
8	To what extent have the NRDP interventions contributed to the sustainable management of the forests to the biodiversity conservation in the mountain areas?	x	x	x	x			



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	Evaluation questions	Administrative data	Literature review	Questionnaires	Interviews	Case studies	Focus group	Quantitative methods
9	To what extent have the NRDP interventions supported the investments in the mountain areas in terms of investment typology, size and sector?	x	x					
10	To what extent the implementation framework developed through NRDP in order to support the mountain areas has best responded to the needs of the area?	x	x	x			x	x
11	To what extent did the NRDP interventions have contributed to stopping the abandonment of agricultural land in the mountain area?	x	X	x		X		

Source: Table elaborated by the evaluation team



## 4.2 Description of the programme's key terms - specific and common evaluation questions, evaluation/analysis criteria, target level

Through the on-going evaluation of the NRDP 2014-2020, at the level of the Study IV - Mountain Area, there are provided answers to 10 specific evaluation questions foreseen in the Terms of Reference and to an additional evaluation question introduced by the evaluation team, according to the aspects discussed and agreed with the MA during the technical meeting from 28th of November 2017. In addition, the evaluation question no. 4 was completed in order to include in the analysis the effect of the mountain area interventions in relation to the adaptation to climate change.

The matrix below illustrates, starting from the methodology defined for the elaboration of the Evaluation Study IV and from the information available in the "Monitoring Indicators" Annex of the AIR 2017, the correspondence between the evaluation questions, the evaluation / analysis criteria and the output indicators related to the projects that have been financed under the NRDP 2014-2020 in the period 2015-2017 (under implementation and finalized projects), located in the mountain area.

The dynamics of the indicators has been analysed in order to identify some trends and to substantiate the answers to the evaluation questions; the responses to the evaluation questions report, where appropriate, the situation at the level of the contracted projects and the completed projects.

Evaluation question	Key terms of the evaluation/ evaluation criteria	Submeasure	Indicators corresponding to the projects located in the mountain area	Specific output indicators – finalized projects		
				Target indicators based on specific output indicators	Target value	Total value achieved by 31.12. 2017
1. To what extent have the NRDP interventions contributed to improving the economic performance, to restructuring and	Increase the market participation, increase the diversification, improve the	4.1 4.1a 16.4 16.4a	Total public expenditures Total investments Number of actions / operations benefiting from support for investments	RO-OA19 Mountain area holdings benefiting from support for investments in	292	38



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Evaluation question	Key terms of the evaluation/ evaluation criteria	Submeasure	Indicators corresponding to the projects located in the mountain area	Specific output indicators – finalized projects		
				Target indicators based on specific output indicators	Target value	Total value achieved by 31.12. 2017
modernization of the supported farms in the mountain area, particularly through increased participation in the market and the agricultural diversification?	economic performance		Number of supported holdings / supported beneficiaries Age of the beneficiary Gender of the beneficiary Number of family farms beneficiary	agricultural holdings (number) - sM4.1		
2. To what extent have the NRDP interventions contributed to the development of small farms in the mountain area, through structural change and openness to the market of the small farms, as well as through the increasing of the ability to identify new market opportunities for their production?	Development of small farms, increasing the market coverage, new opportunities to capitalize the production	6.3	Total public expenditures Number of supported holdings / supported beneficiaries Number of LEADER projects benefiting from assistance	RO-OA22 Beneficiaries (holdings)from mountain area benefiting from support for small farms (number) - sM6.3	3381	918
3. To what extent have the NRDP interventions contributed to maintaining and installing young	Maintenance and installation of young farmers in the mountain area	4.1 4.1a 6.1 6.3	Total public expenditures Total investments Number of beneficiaries ≤ 40 years old	RO-OA 21 Beneficiaries (holdings) in the mountain area benefiting from	1774	259



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Evaluation question	Key terms of the evaluation/ evaluation criteria	Submeasure	Indicators corresponding to the projects located in the mountain area	Specific output indicators – finalized projects		
				Target indicators based on specific output indicators	Target value	Total value achieved by 31.12. 2017
farmers in the mountain area?			Number of LEADER projects benefiting from assistance Number of holdings	installation support for young farmers - sM 6.1		
4. To what extent have the NRDP interventions contributed to the reduction of GHG and ammonia emissions generated by agriculture in the mountain area and adaptation to the climate changes?	Reducing emissions of greenhouse gases and ammonia	4.1 4.3 6.1- 6.3 10 (P 1, 2, 3, 4, 6) 15.1	Total public expenditures Total investments Total surface Supported physical surface Number of supported contracts Number of LEADER projects benefiting from assistance Number of beneficiaries			
5. To what extent have the NRDP interventions supported the investments in the processing and marketing of the agricultural products in the mountain areas?	The evolution of processing and marketing the agricultural products	4.1 4.2 4.2a 9.1 16.4 16.4a	Total public expenditures Total investments Number of actions / operations benefiting from investments support Number of supported holdings / supported beneficiaries Number of holdings participating in supported systems	RO-OA 20 Operations in the mountain area benefiting from support for investments in the processing and marketing of agricultural products - number - sM4.2	88	7



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Evaluation question	Key terms of the evaluation/ evaluation criteria	Submeasure	Indicators corresponding to the projects located in the mountain area	Specific output indicators – finalized projects		
				Target indicators based on specific output indicators	Target value	Total value achieved by 31.12. 2017
6. To what extent have the NRDP interventions contributed to the improvement of the lives of people in the mountain areas?	The living standard of the inhabitants	6.2 6.4 7.2 4.3 19.2	Total public expenditures Total investments Number of actions / operations benefiting from investments support Population benefiting from improved services / infrastructures Population covered by the LAG Number of LAGs selected Number of LEADER projects benefiting from assistance Number and type of project promoters Number of jobs	RO-OA 23 Operations in the mountain area benefiting from support for the investments in creation and upgrading of small scale basic infrastructure - sM 7.2	208	42
7. To what extent the NRDP interventions supported the preservation of the cultural heritage of the mountain areas?	Cultural heritage	6.2 6.4 7.6	Total public expenditures Number of supported beneficiaries Number of LEADER projects benefiting from assistance	RO-OA-24 Operations in the mountain area benefiting from support for the investments associated with the protection of cultural heritage - sM 7.6	95	0
8. To what extent have the NRDP interventions contributed to the sustainable management of the forests to the	Sustainable management of the forests and the biodiversity conservation	8.1 10.1 11.1 11.2 15.1	Total public expenditures Number of supported beneficiaries Total surface (ha) Supported physical surface (ha) Number of supported contracts			



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Evaluation question	Key terms of the evaluation/ evaluation criteria	Submeasure	Indicators corresponding to the projects located in the mountain area	Specific output indicators – finalized projects		
				Target indicators based on specific output indicators	Target value	Total value achieved by 31.12. 2017
biodiversity conservation in the mountain areas?		4.3				
9. To what extent have the NRDP interventions supported the investments in the mountain areas in terms of investment typology, size and sector?	Description of the investments realized in the mountain area	4.1 4.1a 4.2. 4.2a 4.3 6.4 7.2 7.6 16.4 16.4a	Total public expenditures Total investments Number of LEADER projects benefiting from assistance Number of beneficiaries			
10. To what extent the implementation framework developed through NRDP in order to support the mountain areas has best responded to the needs of the area?	Level of adequacy of the implementation framework	All				
11. To what extent did the NRDP interventions have contributed to stopping the	Stopping the abandonment of	4.1 4.1a 6.1	Total public expenditures Number of supported holdings / supported beneficiaries			





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Evaluation question	Key terms of the evaluation/ evaluation criteria	Submeasure	Indicators corresponding to the projects located in the mountain area	Specific output indicators – finalized projects		
				Target indicators based on specific output indicators	Target value	Total value achieved by 31.12. 2017
abandonment of agricultural land in the mountain area?	the agricultural land	6.3 13	Total surface (ha) Supported physical surface (ha)			



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### 4.3 Data source, data collection techniques (questionnaires, interviews, size and selection criteria for sampling etc.)

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.

#### 4.3.1. Primary data sources

##### *Questionnaire survey*

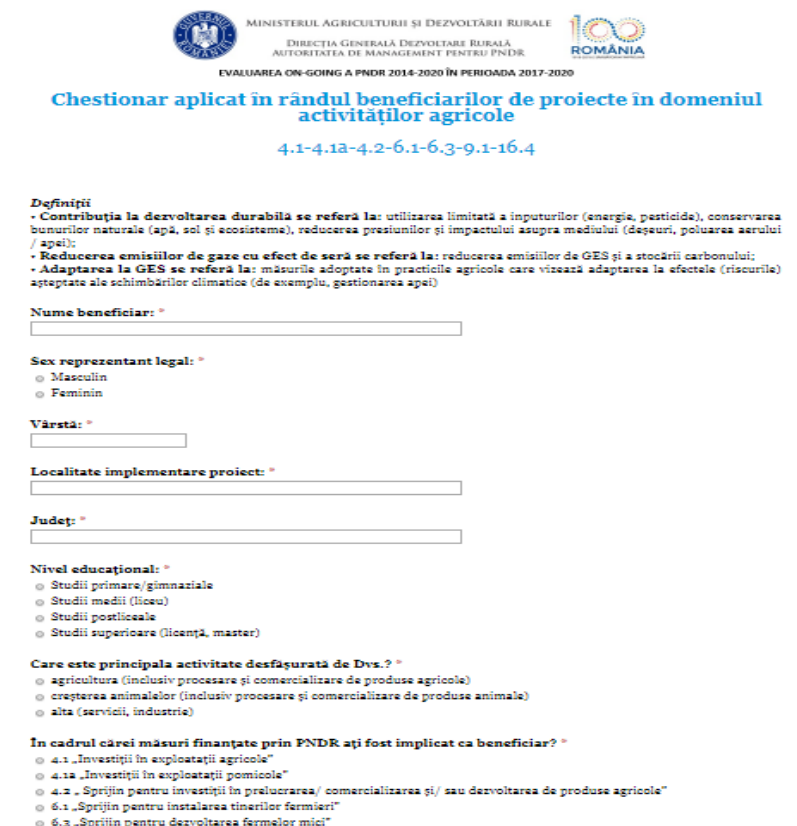
The questionnaire was used to collect information on beneficiaries' experience gained through the implementation of projects funded under the NRDP2014-2020, located in the mountain area. In this respect, four types of questionnaires were defined:

- 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 (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 20/03/2018 - 08/04/2018.

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Figure no. 2 Template of the applied questionnaire



The image shows a screenshot of a questionnaire template. At the top, it features the logos of the Romanian Government, the Ministry of Agriculture and Rural Development, the National Rural Development Authority, and the 100 Romania logo. The title of the questionnaire is 'Chestionar aplicat în rândul beneficiarilor de proiecte în domeniul activităților agricole' (Questionnaire applied to beneficiaries of projects in the field of agricultural activities). Below the title is the reference code '4.1-4.1a-4.2-6.1-6.3-9.1-16.4'. The questionnaire includes several sections: 'Definiții' (Definitions) with bullet points on sustainable development, greenhouse gas emissions, and climate change adaptation; 'Nume beneficiar:' (Beneficiary name); 'Sex reprezentant legal:' (Legal representative sex) with radio buttons for 'Masculin' and 'Feminin'; 'Vârsta:' (Age); 'Localitate implementare proiect:' (Project implementation locality); 'Județ:' (County); 'Nivel educațional:' (Educational level) with radio buttons for 'Studii primare/gimnaziale', 'Studii medii (liceu)', 'Studii postliceale', and 'Studii superioare (licență, master)'; 'Care este principala activitate desfășurată de Dvs.?' (What is your main activity?) with radio buttons for 'agricultura', 'creșterea animalelor', and 'alta'; and 'În cadrul cărei măsuri finanțate prin PNDR ați fost implicat ca beneficiar?' (Under which funded measures have you been involved as a beneficiary?) with radio buttons for '4.1', '4.1a', '4.2', '6.1', and '6.3'.

Source: [www.t33.it](http://www.t33.it), Survey carried out by the evaluation team

The questionnaire was applied and filled in mainly online and in exceptional cases by phone<sup>3</sup> for a representative sample of beneficiaries. In order to apply the questionnaires and collect the data, the following steps were taken:

1. A representative sample of beneficiaries was selected, based on the total number of contracted/completed projects.
2. Email addresses from beneficiaries have been collected. This information has been collected from the databases made available by the Contracting Authority and from alternative sources. During this stage, beneficiaries for whom the e-mail address could not be identified in other way were contacted via telephone.
3. Online forms for data collection have been created<sup>4</sup>.
4. The questionnaire web addresses were sent by email to the beneficiaries along with an address provided by the MA of NRDP to support the data collection activity.
5. All the beneficiaries selected in the sample have been recontacted by telephone and kindly requested to fill in the questionnaires transmitted by e-mail.

<sup>3</sup> The questionnaire was applied and completed by phone for those beneficiaries included in the sample who were unable to access the on-line questionnaire platform (eg did not have access to an internet network)

<sup>4</sup> The template of the questionnaires were uploaded on the t33 website, the partner within the Consortium.

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In those cases where the questionnaire was not filled in, returns were made through the e-mail, followed by at least one telephone return, to ensure an optimal response rate (in total, 43,5% of the beneficiaries included in the sample filled in the questionnaire).

In total, the questionnaire survey applied among the beneficiaries has allowed the collection of a relevant number of answers at the level of each sample established through the methodology of work for the elaboration of the Evaluation Study IV - Mountain Area.

**Table no. 1** Centralization of the number of responses collected through questionnaire-based research

Measure / sub-measure	Number of projects contracted in the mountain area by 31.12.2017 (excluding cancelled projects)	Number of projects finalized in the mountain area by 31.12.2017	Estimative number of contacted beneficiaries	Sample foreseen for the analysis (number of expected responses)	Number of responses actually received	Rate of response
4.1	132	27	50	27	34	68%
4.1a (fruit-growing)	7	0	7	4	4	57,14%
4.2 (including the GBER scheme)	10	3	10	5	5	50%
4.2a <sup>5</sup>	1	0	0	0	0	-
4.3	40	0	29	12	17 <sup>6</sup>	58,62%
6.1	2.002	19	150	50	50	33,33%
6.2	416	1	110	35	57	51,81%
6.3	1.144	14	150	50	50	33,33%
6.4	202	19	60	20	23	38,33%
7.2	258	1	75	25	39	52%
7.6	126	0	45	15	21	46,66%
9.1	1	0	1	1	1	100%
16.4	5	0	5	1	1	20%
16.4a (fruit-growing)	2	0	2	1	1	50%
19.2	76	0	60	20	25	41,66%
TOTAL	4.423	83	755	266	328	43,50%

Source: Data processed by the authors

\* Cancelled projects were not taken into account given their low relevance in the context of the application of the questionnaire survey.

<sup>5</sup> Considering the existence of only one project contracted at the level of submeasure 4.2a, which was not finalized at the time of this analysis, its inclusion in the organized research did not provide additional elements influencing the responses provided by the evaluation team to the evaluation questions.

<sup>6</sup> 4 out of the 17 responses were related to projects targeting investments in the agricultural road infrastructure component (4.3.a)



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### *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).

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

- Elaborating the list of interviewed participants and the interview guides and submitting them to the Contracting Authority. The interview guide allowed a certain degree of flexibility in what concerns 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 the interviewed persons in order to check their availability;
- Transmitting the interview guide to interviewees before the interviews in order to familiarize them with the main topics / questions to be discussed;
- Carrying out the interviews and drafting the interview reports;
- Transmitting the interview reports to the participants for further updating / completing the content of the document, if applicable;
- If a feedback from interviewees was received on the interview report, updating and finalizing the document according to the comments received.

### *Case studies*

In order to collect detailed data on the completed projects and useful information to provide the answer to the evaluation questions, case studies were conducted from the 4th to 12th of April 2018. Case studies were planned and carried out based on:

- documentary analysis of selected projects for which beneficiary acceptance was given in order to be included in the sample of the case studies
- field visits to the implementation location of the projects included in the sample of the case studies

In what concerns the selection criteria for the case studies, these were represented by the following:

- *Implementation status*: case studies were addressed exclusively to projects completed by 31/12/2017 as they could provide information to formulate the conclusions and lessons learned on the different stages of the life cycle of the projects (submission, implementation, monitoring, payments, generated effects)
- *Location*: case studies were addressed exclusively to projects located in the mountain area

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- *Contribution to areas of intervention:* where possible, case studies included projects providing contributions (primary and secondary) to at least two areas of intervention
- *Relevance for the evaluation questions:* case studies have been used as an evaluation method to provide the answer to the evaluation questions 1, 2, 3, 5, 6, 11
- *Investment typology:* considering the use of the case studies to elaborate the response to certain evaluation questions, two case studies addressed investment projects in the livestock sector and a case study addressed a project with investments in cultural or craft activities.

If several projects met the criteria mentioned above, the selection was made according to the score obtained in the selection stage, respectively projects with the highest scores obtained in the selection phase were selected, these representing the most promising prerequisites for achieving medium and long-term effects at the level of the territory covered by the investment.

In total, 5 case studies were carried out as it follows:

**Table no. 2** Case studies carried out within the evaluation related to mountain area

Submeasure	Beneficiary name	Title of the project	Location (commune)	County
4.1	Pall Andor II	Modernization of the Pall Andor II zootechnical farm by purchasing agricultural machinery and equipment	Lemnia	Covasna
4.2	SC Brădet SRL	Refurbishment of the milk processing plant SC Brădet SRL	Brăduleț	Argeș
6.1	Iancu George Vlad Individual Enterprise	Installation of the young farmer Iancu George Vlad	Margău	Cluj
6.3	Curcan R. Doina Authorized Physical Person	Support for the agricultural holding Curcan R. Doina Authorized Physical Person in the Certeju De Sus commune, Hunedoara	Certeju de Sus	Hunedoara
6.4	SC Cubicstone Andezit SRL	Extending the traditional production at Cubicstone Andezit SRL	Suseni	Harghita

Source: data processed by the authors

On-the-field visits for the case studies were made from 4th to 12th of April 2018. These were conducted by the representatives of the key and non-key experts team. For each case study, an individual analysis report was developed, which can be found in the annex of this study. Moreover, a summary of each case study is presented in Chapter VI of this study.

### The 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.



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The focus group addressed the following topics of discussion:

- The effectiveness of the NRDP strategy and the approved LDS in addressing the needs in the mountain areas, starting from the review of the SWOT analysis of the programme and its consistency with other initiatives with effects in the mountain areas.
- The efficiency of the implementation mechanisms, paying particular attention to the NRDP's ability to select the most efficient and valuable project proposals (selection criteria), the ability to monitor and measure their achievements (data and monitoring indicators), the structure and content of the guidelines for applicants and procedures in the project implementation phase, administrative organization for programme management, etc.
- The sustainability of public-private partnerships in the mountain area, considering the partners' capacity to promote innovation and to plan / implement long-term strategies aimed at improving the quality of life and thus contributing to the abandonment of agricultural land in the mountain areas;
- The ability to promote social inclusion in the mountain areas in relation to the young farmers, women and minority groups.

The focus group was attended by the representatives of the public institutions involved in the management and implementation of the NRDP (MA of NRDP, AFRI, PAIA), together with key actors representative for the development of the mountain area (Mountain Area Agency, Association of Communes in Romania, National Federation of LAGs, etc.).

### 4.3.2. Secondary data sources

The literature review was used to complete the answers to the evaluation questions 1, 2, 3, 4, 5, 7, 8, 9, 10, 11. The documents included in the analysis of the specific literature included:

- Strategic documents, studies and analyses at European level
  - o The guide for the Evaluation of LEADER CLLD August 2017<sup>7</sup>
  - o Statistics on the Romanian holdings or agricultural products compared to other European countries<sup>8</sup>
  - o Analysis of future trends in agricultural products<sup>9</sup>
  - o The labelling of agricultural and food products from mountain farming<sup>10</sup>
- Strategic documents elaborated at national level
  - o National Strategic Guidelines for the Sustainable Development of Less Favored Mountain Areas (2014-2020)<sup>11</sup>

<sup>7</sup> [https://enrd.ec.europa.eu/evaluation/publications/evaluation-leaderclld\\_en](https://enrd.ec.europa.eu/evaluation/publications/evaluation-leaderclld_en)

<sup>8</sup> [https://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2013/mountain-farming/fulltext\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2013/mountain-farming/fulltext_en.pdf)

<sup>9</sup> [https://ec.europa.eu/agriculture/sites/agriculture/files/markets-and-prices/medium-term-outlook/2016/2016-fullrep\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/markets-and-prices/medium-term-outlook/2016/2016-fullrep_en.pdf)

<sup>10</sup> Project contracted by the Directorate-General for Agriculture and Rural Development (AGRI-2011-0460/JRC-IPTS No. 32349-2011-10); the study was published in 2013

<sup>11</sup> <http://www.madr.ro/orientari-strategice-nationale-pentru-dezvoltarea-durabila-a-zonei-montane-defavorizate-2014-2020.html>



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- The Rural Development Strategy of Romania 2014-2020<sup>12</sup>
- The National Strategy of Romania on Climate Change 2013 - 2020<sup>13</sup>
- Strategic directions for sustainable development <sup>14</sup>
- The National Strategy and Action Plan for Biodiversity Conservation 2013 – 2020<sup>15</sup>
- Studies, analysis and reports elaborated at national level
  - The Strategy to Support the Agricultural Competitiveness and Sustainable Development of Rural Areas, considering the food safety and environmental protection <sup>16</sup>
  - The Study on establishing the socio-economic potential for developing the rural area<sup>17</sup>
  - The Study on Sustainable Development in the Carpathian Mountains<sup>18</sup>
  - The NRDP 2014-2020 environmental report<sup>19</sup>
  - AIR 2014-2015, AIR 2016 of the NRDP 2014-2020<sup>20</sup>
  - Comparative Study of the European Strategies for Mountain Areas, with special reference to the Carpathians area in Romania <sup>21</sup>
- Specialized articles published at international level
  - Mountain Family Farms in Galicia, Spain: Challenges and Strategies<sup>22</sup>
  - Pathways of Immigration in the Alps and Carpathians: Social Innovation and the Creation of a Welcoming Culture<sup>23</sup>
  - A Traditional Cultural Landscape in Transformation<sup>24</sup>
  - Chain of Custody Certification in Romania: Profile and Perceptions of FSC Certified Companies<sup>25</sup>
  - Spatiotemporal Analysis of the Controlling Factors of Forest Cover Change in the Romanian Carpathian Mountains<sup>26</sup>
  - Agricultural abandonment in mountain areas of Europe: Environmental consequences and policy response<sup>27</sup>

<sup>12</sup> <http://www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/Strategia-de-dezvoltare-rurala-2014-2020-versiunea-l-22-nov-2013.pdf>

<sup>13</sup> [http://www.mmediu.ro/beta/wp-content/uploads/2012/10/2012-10-05-Strategia\\_NR-SC.pdf](http://www.mmediu.ro/beta/wp-content/uploads/2012/10/2012-10-05-Strategia_NR-SC.pdf)

<sup>14</sup> <http://turism.gov.ro/web/wp-content/uploads/2017/05/Strategie-Carpati-2.pdf>

<sup>15</sup> <http://www.mmediu.ro/beta/wp-content/uploads/2013/02/2013-02-DB-NBSAP.doc>

<sup>16</sup> <http://www.madr.ro/docs/agricultura/strategia-agroalimentara-2020-2030.pdf>

<sup>17</sup> <http://www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/studiu-potential-socio-economic-de-dezvoltare-zone-rurale-ver-10.04.2015.pdf>

<sup>18</sup> <http://turism.gov.ro/web/wp-content/uploads/2017/05/Strategie-Carpati-1.pdf>

<sup>19</sup> <http://www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/raport-de-mediu-PNDR-2014-2020.pdf>

<sup>20</sup> <http://www.madr.ro/docs/dezvoltare-rurala/2017/Studiul-de-evaluare-l-RAI-2016.pdf>

<sup>21</sup> [http://www.acad.ro/sectii/sectia11\\_economie/doc/SintezaStudiulNCE-Rey.doc](http://www.acad.ro/sectii/sectia11_economie/doc/SintezaStudiulNCE-Rey.doc)

<sup>22</sup> <http://www.bioone.org/doi/full/10.1659/MRD-JOURNAL-D-14-00015.1>

<sup>23</sup> <http://www.bioone.org/doi/full/10.1659/MRD-JOURNAL-D-17-00031.1>

<sup>24</sup> <http://www.bioone.org/doi/full/10.1659/mrd.0806>

<sup>25</sup> <https://doi.org/10.1505/146554813807700137>

<sup>26</sup> <http://www.bioone.org/doi/full/10.1659/MRD-JOURNAL-D-15-00014>

<sup>27</sup> Publicat în anul 2000, în Journal of Environmental Management 59:47–69; autori: MacDonald D, Grabtree JR, Wiesinger G, Dax T, Stamou N, Fleury P, Gutierrez J, Gibon A.





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The data from the programme monitoring system was provided by the MA of NRDP, AFRI and PAIA and they were used to calculate the indicators associated with the evaluation questions (considering only the projects located in the mountain area), for the selection of the population participating in the field research which involved the beneficiaries and to realize the additional analysis that can be found in the annexes of this study.

*The quantitative data* available at the level of TEMPO database of NIS was used to substantiate the answer to the evaluation question 10. The analysis focused on the correspondence between the NRDP funding in the mountain area (finalized and contracted projects in the period 2015-2017) and the NIS indicators related to the possible influences / effects generated by NRDP interventions in the mountain area (average number of unemployed, average number of employees, etc.).

#### 4.4 Difficulties or limitations of the methodology used

The main limitations encountered during the elaboration of the evaluation study are related to:

1. the small sample of finalised projects for some measures/submeasures due to the current state of the programme implementation;
2. the limited availability of certain data categories necessary to answer the evaluation question no. 9 "To what extent have the NRDP interventions supported the investments in the mountain area in terms of investment typology, size and sector?" (eg data on the beneficiary's standard production (SO), data on the economic viability of holdings);
3. the limited relevance of the quantitative data needed to estimate the actual contribution of sM 4.1 to climate change. The evaluation of the contribution was mainly based on qualitative information given the fact that until the end of 2017 no finalised projects have been registered under sM4.1, the investment typology for the establishment, extension and / or modernization of zootechnical farms, including efficient pollution reduction technologies and compliance with Union standards for storing / managing manure.

In order to address the first limitation, the study has analysed and surveyed the contracted projects. It was also used a mix of information sources, both quantitative (administrative data) and qualitative (interviews, questionnaire survey, case studies and focus group). For future studies, the Managing Authority could undertake additional analyses based on the methodology proposed in this study to assess the NRDP contribution to the development of mountain areas considering a more advanced implementation phase at that specific moment.

For the lack of data on the standard output, the evaluation team has proposed to use the average agricultural surface to assess the size of agricultural holdings.

Regarding the limited relevance of quantitative information regarding the contribution of sM 4.1 to reducing GHG and ammonia emissions, as well as to mitigating the climate change, the evaluation team has launched a questionnaire survey to map qualitatively the expected and potential effects according to beneficiaries' point of view. However, an ad hoc study is considered needed, which could be launched in the future period to address this limitation regarding the available quantitative data.



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

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The National Rural Development Programme 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.

The NRDP gives importance to the mountain areas and family farms in order to ensure both the continuity and sustainability in rural areas, as well as to the production of public goods, but also in order to prevent the abandonment and migration trends of the population.

The NRDP supports the strategic development of the rural area and implicitly of the mountain area by addressing the following strategic objectives:

- Strategic Objective 1: „*Restructuring and increasing farm viability*”;
- Strategic Objective 2: „*Sustainable management of natural resources and tackling climate change*”;
- Strategic Objective 3: „*Diversification of economic activities, creation of jobs, improvement of infrastructure and services for improving the quality of life in rural areas*”.

The achievement of the aforementioned strategic objectives will be achieved through the six priorities of the European Union established in the Rural Development Regulation (1305/2013):

- Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas (P1);
- Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests (P2);
- Promoting food chain organization, including processing and marketing of agricultural products, animal welfare and risk management in agriculture (P3);
- Restoring, preserving and enhancing ecosystems related to agriculture and forestry (P4);
- Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors (P5);
- Promoting social inclusion, poverty reduction and economic development in rural areas (P6).

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.



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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*.

In order to achieve the proposed objectives, at the level of the NRDP, the 6 priorities mentioned above were transposed through focus areas (FA), which also facilitate the achievement of cross-cutting objectives on innovation, environmental protection, mitigation and adaptation. The focus areas associated with the measures with specific allocation for the mountain area (4, 6 and 7) are presented below:

- 2A Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification (Measure 4 – main and secondary contribution, Measure 6 – main contribution);
- 2B Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, of the generational renewal (Measure 6 – main contribution);
- 2C+ Improving the economic performance of forestry sector (Measure 4 – main contribution);
- 3A Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organizations (Measure 4 – main contribution, Measure 4 and 6 – main and secondary contribution);
- 5A Increasing efficiency in water use by agriculture (Measure 4 – main and secondary contribution);
- 5C Facilitating the supply and use of renewable sources of energy, of the sub-products, wastes, residues and other non food raw material for the purposes of the bio-economy (Measure 6 – main contribution, Measure 4 – secondary contribution);
- 5D Reducing green house gas and ammonia emissions from agriculture (Measure 4 – main contribution);
- 6A Facilitating diversification, creation and development of small enterprises, as well as job creation (Measures 4 and 6 – main contribution);
- 6B Fostering local development in rural areas (Measure 7 – main contribution).

Therefore, the interventions defined by the mentioned focus areas are the main ways in which the NRDP 2014-2020 aims to solve the problems and address the needs faced by the mountain area.

In the next sections, there are presented the six priorities for NRDP 2014-2020, highlighting in the same time their connection with the mountain area.

### Priority 1 Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas

The interventions related to investment priority 1 aim at reducing the gaps in knowledge, information and advisory services for farmers, at correlating the research with the practice and connecting the rural



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actors, at the level of entrepreneurial culture and in terms of dependence on agricultural activities, on the background of a low level of information, training and innovation, especially among small and medium-sized farmers in the rural environment in Romania.

This investment priority is relevant for the development of the mountain area, in the context in which the advisory services accompany the support for restructuring and modernization of farms and the renewal of generations of farmers, interventions with specific allocation for the mountain area.

**Priority 2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests**

Priority 2 aims to improve the performance and competitiveness of the agricultural and forestry sectors. Through FA 2A, B, C, this will lead to the reduction of the capital and technology gaps in the farm; promoting restructured, upgraded and market-oriented farms; easy access to financial instruments, young farmers generations, support for sustainable forest management.

The increase in the performance of agricultural holdings in the mountain area is supported through the sM 4.1 and 6.3, while the increase of the forest sector performance and competitiveness is pursued through interventions financed through the sM 4.3.

**Priority 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture**

This priority is justified by the difficulties encountered by the Romanian farms, especially the small ones, in terms of market integration and ensuring the mandatory standards, due to the existence of processing units characterized by the equipment wear, lack of production facilities and compliance with the rules of hygiene. Moreover, the climate change and risks to animal and plant diseases and environmental incidents threaten primary production and have adverse effects on agri-food performance.

These difficulties are also encountered at the level of the mountain area, where it specifically appears the need for investment in production areas and modern technologies, the development of new products, the application of innovative practices and technologies in the dairy products and industry.

Under this priority, the integration of the 3A and 3B focus areas is aimed at improving the competitiveness of primary producers through a better integration into the agri-food chain and supporting risk management and prevention at farm level.

**Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry**

Within this priority, the integration of focus areas 4A, 4B and 4C is aimed at preserving biological diversity on agricultural and forestry land, improving the water management, including the management of fertilizers and pesticides, as well as preventing the erosion and improving the soil management.



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The biodiversity of the environment is threatened by a series of risks, the most important being the intensification of the agricultural activities, the abandonment of local breeds of farm animals and the abandonment of agricultural activities in less productive areas. In what concerns Romania's hydrographic network, the pressure of intensification of the agriculture, associated with the inappropriate application of agricultural technologies, could increase the risk of water pollution. At the same time, large areas of Romania present natural limitations of agricultural productivity that lead to the risk of abandoning the agricultural activities, which are due to the climatic and biophysical conditions unfavourable to the optimal development of the agricultural activities.

The correlation between priority 4 and the mountain area is highlighted in particular with regard to the length of the mountain areas, which has limitations in the agricultural productivity, due to the climatic and biophysical conditions that are unfavourable to the optimal development of agricultural the activities. Although these areas are associated with a high biodiversity value, the phenomenon of abandonment of the agricultural activities can affect the local environmental factors such as biodiversity, soil and landscapes.

**Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors**

Priority 5 supports the interventions aimed at making water use more efficient in agriculture, supplying and using renewable energy sources, reducing greenhouse gas and ammonia emissions from agriculture, also through promoting the carbon preservation and sequestration in agriculture and forestry.

In what concerns the mountain area, the interventions supported through this priority will contribute to the reduction of GHG and ammonia emissions in the livestock sector by supporting the establishment and development of livestock farms that require specific investments in adequate manure management, but also through actions of carbon sequestration, through afforestation and the creation of wooded areas.

**Priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas**

According to the SWOT analysis, the rural areas have difficulties in terms of risks associated with social exclusion, low employment rate, high poverty rates, low access to financing, poor entrepreneurial skills of the rural population, while showing gaps compared to the urban areas through infrastructure, services and quality of life. The focus areas 6A and 6B facilitate the diversification, the establishment and development of small businesses, as well as the job creation that would encourage local development in the rural area.

The support offered through this priority focuses on production, craft, agro-tourism and service provision. At the same time, the investments in water / wastewater infrastructure are planned, as well as the establishment and modernization of local interest roads to ensure the connectivity of the population and the enhancement of local economic development potential.



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This priority is relevant for the mountain area, given that, as outlined in Chapter 4 of the NRDP 2014-2020 (SWOT analysis and needs identification), the mountain area is predominantly facing a precarious infrastructure.

In the following sections, the description of the NRDP 2014-2020 measures and sub-measures is realized, based on the information included in the fifth version of the program. The measures correspond to one of the following typologies, depending on the connection with the mountain area, in relation to the situation existing at the end of 2017<sup>28</sup>:

1. Measures/Sub-measures addressing exclusively the mountain area: sM 13.1
2. Measures/Sub-measures with specific allocation on the mountain area: sM 4.1, sM 4.2, sM 6.1, sM 6.3, sM 7.2, sM 7.6
3. Measures/Sub-measures in which commitments/projects located in the mountain area were signed: sM 4.1a, sM 4.2a, sM 4.3, sM 6.2, sM 6.4, sM 9.1, sM 16.4, sM 16.4a, sM 10.1, sM 11.1, sM 11.2, sM 19.1, sM 19.2, sM 19.4
4. Measures/Sub-measures whose projects can not be located in a specific territory but which may have an impact on the territory of the mountain area: M01, M20
5. Measures/Sub-measures where no projects located in the mountain area have been contracted: sM 6.5, sM 13.2, sM 13.3
6. Measures/Sub-measures not having contracted projects / commitments signed by the end of 2017: sM 2.1, M 03, sM 8.1, sM 9.1a, sM 15.1, sM 16.1, sM 16.1a, sM 17.2, sM 19.3

**1. Measures/Sub-measures addressing exclusively the mountain area: sM 13.1****sM 13.1 –Compensatory payments in the mountain area**

Objectives: financial support (compensating farmers) is provided for the use of agricultural lands located in areas where the agricultural production is affected by climate and relief conditions, due to the altitude and slope features in the mountain area.

Relevance for the mountain area:

- No. of signed commitments: 831.596
- Total surface requested for payment: 3.691.489,225 ha

**2. Measures/Sub-measures with specific allocation on the mountain area: sM 4.1, sM 4.2, sM 6.1, sM 6.3, sM 7.2, sM 7.6 (including projects that are located in the mountain area but that have not been submitted during the sessions intended exclusively to the mountain area)****sM 4.1 Investments in agricultural holdings**

Objectives:

<sup>28</sup> M14 - Animal welfare is not scheduled in the NRDP 2014-2020, at the end of 2017 the measure having only projects from transition



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- Improving the overall performances of the agricultural holdings by increasing the competitiveness of agricultural activity, diversification of agricultural activities and increasing the quality of the products obtained;
- Restructuring the small and medium sized holdings and turning them into commercial holdings;
- Compliance with the community standards, applicable to all types of investments;
- Increasing the added value of the agricultural products by processing the products at the farm's level and their direct marketing in view to create and promote integrated short chains.

Relevance for the mountain area:

- Contracted projects in the mountain area: 132 (Total public expenditures: 82.499.946,61 lei)
- Finalized projects in the mountain area: 27 (Total public expenditures: 32.209.187,11 lei)
- Target indicators based on specific output indicators: RO-OA19 Holdings in the mountain area receiving support for investments in agricultural holdings (number). Target value: 292, Realized value by 31.12.2017: 38, out of which 11 projects from transition.

### sM 4.2 Support for investments in processing/marketing of agricultural products

Objectives:

- set-up and/or modernization of processing and marketing units;
- introduction of new technologies for development of new products and processes;
- application of environmental protection actions, including energy efficiency and GHG emissions;
- promotion of investments for the production and use of energy from renewable sources;
- increase of number of Jobs.

Relevance for the mountain area:

- Contracted projects in the mountain area: 8<sup>29</sup> (Public contracted value: 18.979.566,660 lei)
- Finalized projects in the mountain area: 3 (Total public expenditures: 2.245.252,23 lei)
- Target indicators based on specific output indicators: RO-OA 20 Operations in the mountain area benefiting from support for investments in the processing and marketing of agricultural products (number). Target value: 88, realized value at 31.12.2017: 7, out of which 4 projects from transition.

### sM 6.1 Support for installing young farmers

Objectives:

- support the setting up for the first time of young farmers, as sole heads/managers of an agricultural holding;
- increasing the competitiveness of the agricultural sector.

Relevance for the mountain area:

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<sup>29</sup> without including the 2 projects funded under the GBER scheme, given that the GBER scheme does not delineate a specific allocation for the mountain area



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- Contracted projects in the mountain area: 2002 (Total public expenditures: 276.599.547,50 lei)
- Finalized projects in the mountain area: 19 (Total public expenditures: 3.481.832 lei)
- Target indicators based on specific output indicators: RO-OA 21 Beneficiaries (holdings) in mountain area benefiting from installation aid for young farmers. Target value: 1774, realized value by 31.12.2017: 259, out of which 240 projects from transition

### sM 6.3 Support for the development of small farms

#### Objectives:

- Improvement of the agricultural holding management;
- Increasing the market-orientation of the small-sized agricultural holdings.

#### Relevance for the mountain area:

- Contracted projects in the mountain area: 1.144 (Total public expenditures: 56.684.922,50 lei)
- Finalized projects in the mountain area: 14 (Total public expenditures: 950.040 lei)
- Target indicators based on specific output indicators: RO-OA 22 Beneficiaries (holdings) in the mountain area benefiting from support for small farms (number). Target value: 3.381, realized value by 31.12.2017: 918, out of which 904 projects from transition

### sM 7.2 Investments in the creation and modernization of small-scale infrastructure

#### Objectives:

- improving small-scale basic infrastructure for sustainable economic development and poverty reduction in rural areas;
- increasing the number of inhabitants in rural areas benefiting from improved basic infrastructure.

#### Relevance for the mountain area:

- Contracted projects in the mountain area: 258 (Total public expenditures: 388.167.022,79 lei)
- Finalized projects in the mountain area: 1 (Total public expenditures: 3.756.441,68 lei)
- Target indicators based on specific output indicators: RO-OA 23 Operations in the mountain area benefiting from investment support for the creation and upgrading of small scale basic infrastructure. Target value: 208, realized value by 31.12.2017: 42, out of which 41 projects from transition

### sM 7.6 Investments associated with the protection of cultural heritage

#### Objectives:

- stimulating rural tourism activities, as well as maintaining traditions and spiritual heritage, thus contributing to the attractiveness of rural areas.

#### Relevance for the mountain areas:

- Contracted projects in the mountain area: 126 (Total public expenditures: 66.551.984,44 lei)
- Finalized projects in the mountain area: 0 (Total public expenditures: 0 lei)





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- Target indicators based on specific output indicators: RO-OA-24 Operations in the mountain area benefiting from support for investments associated with the protection of cultural heritage. Target value: 95, realized value by 31.12.2017: 0

3. Measures/Sub-measures in which commitments/projects located in the mountain area were signed: sM 4.1a, sM 4.2a, sM 4.3, sM 6.2, sM 6.4, sM 9.1, sM 10.1, sM 11.1, sM 11.2, sM 16.4, sM 16.4a, sM 19.1, sM 19.2, sM 19.4

sM 4.1a - Investments in fruit-growing holdings

Objectives:

- increasing the competitiveness of the fruit-growing holdings, through endowment with machinery and equipment, setting up, upgrading and / or expanding the processing units, setting up fruit plantations, reconversion of the existing plantations and increasing the areas occupied by fruit nurseries;
- increase of the added value of the products by supporting on-farm fruit processing and direct marketing of the products obtained;
- development of short supply chains;
- streamlining the production costs through the promotion of production and on-farm use of energy from renewable sources and through the reduction of energy consumption.

Relevance for the mountain area:

- Contracted projects in the mountain area: 7 (Total public expenditures: 9.443.203,37 lei)
- Finalized projects in the mountain area: 0 (Total public expenditures: 0 lei)

sM 4.2a - Investments in processing/marketing products in the fruit-growing sector

Objectives:

- modernization and creation of processing and marketing units;
- introduction of new technologies for developing new products and technological processes;
- increase of the added value of products in the fruit-growing sector;
- improvement of internal quality control;
- increase in number of jobs;
- decrease of energy consumption and GHG emissions.

Relevance for the mountain area:

- Contracted projects in the mountain area: 1 (Total public expenditures: 907.364,25 lei)
- Finalized projects in the mountain area: 0 (Total public expenditures: 0 lei)

sM 4.3 - Investments for the development, modernization or adaptation of agricultural and forestry infrastructure



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### Objectives:

- *Agricultural*: Establishment, extension and modernization of agricultural infrastructure for access to farms;
- *Forestry*: Set-up, extension and modernization of access roads to forestry fund;
- *Irrigations*: Modernization of existing irrigations infrastructure.

### Relevance for the mountain area:

- Contracted projects in the mountain area: 40, of which 9 for agricultural access infrastructure and 31 for forest access infrastructure (Total public expenditures: 47.470.476 lei, of which for agricultural access 13.731.238 lei and for forest infrastructure 33.739.238 lei)
- Finalized projects in the mountain area: 0 (Total public expenditures: 0 lei)

### sM 6.2 - Support for setting up non-agricultural activities in rural areas

### Objectives:

- diversification of rural economy by increasing the number of micro-enterprises and small enterprises in non-agricultural sector, developing services and job creation in the rural area;
- fostering the maintenance and the development of traditional craft activities.

### Relevance for the mountain area:

- Contracted projects in the mountain area: 416 (Total public expenditures: 83.739.021,90 lei)
- Finalized projects in the mountain area: 1 (Total public expenditures: 226.200 lei)

### sM 6.4 - Investments in creation and development of non-agricultural activities

### Objectives:

- fostering the rural business environment, thus contributing to an increased number of non-agricultural activities carried out in rural areas, as well as to the development of the existing non-agricultural activities, leading to job creation, increase in rural population income and mitigation of disparities between the rural and the urban areas, giving priority for the sectors with high development potential identified in the PA, according to the National Strategy for Competitiveness or to the Integrated Strategy for Sustainable Development of the Danube Delta (SIDD DD).

### Relevance for the mountain area:

- Contracted projects in the mountain area: 202 (Total public expenditures: 15.896.777,90 lei)
- Finalized projects in the mountain area: 19 (Total public expenditures: 9.793.066,82 lei)



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### sM 9.1 - Establishment of producer groups in agricultural sector

#### Objectives:

- Improvement of the overall performance and increase of incomes from agricultural holdings;
- A better integration of the primary producers on the market, by adapting their production to the market requirements and common marketing of their production;
- Creation and promotion of short supply chains;
- Compliance with the Community environment and climate, food safety etc. standards

#### Relevance for the mountain area:

- Contracted projects in the mountain area: 1 (Total public expenditures: 453.900 lei)
- Finalized projects in the mountain area: 0 (Total public expenditures: 0 lei)

### sM 10.1 –Agri-environment and climate payments

#### Objectives:

- Package 1 – Pastures with high natural value: the full maintenance of the habitats, the traditional cultural fund, the biodiversity as well as the edaphic cover.
- Package 2 - Traditional agricultural practices: increasing the level of restrictions applied through Package 1, in order to protect, in addition to florid biodiversity, bird/mammal species specific to permanent grassland or traditional orchards extensively used by mowing.
- Package 3 – Pastures important for birds: conservation of important bird species, at European level.
- Package 4 – Green crops: adopting agro-environmental practices aimed at conserving soil and water.
- Package 5 – Adaptation to climate change effects: changing the current conduct of farmers, in the sense of streamlining the crop structure to counteract the effects of climate change and to provide greater resistance to the production units; reducing the vulnerability to the expected effect of climate change on crops; mitigating the effects of climate change.
- Package 6 – Pastures important for butterfly (Maculinea sp.): conservation of important habitats specific to natural and semi-natural meadows, but also of priority species whose ecosystem is related to these types of habitats.
- Package 7 – Arable lands important as feeding areas for Red-breasted goose (Branta ruficollis): ensuring the survival and reproduction of Branta ruficollis (red-breasted goose), within the eligible area designated by the measure.
- Package 8 – Farm animal raise of local breeds in danger of abandonment: the production and sustainable use of highly productive species and breeds, as well as the use of breeds that are at risk of abandonment; maintaining genetic resources by increasing the number of adult reproductive animals from traditional local breeds that are at risk of abandonment; encourage the raising of local breeds that are in danger of abandonment.

#### Relevance for the mountain area:

- Number of commitments signed in the mountain area: 86.888
- Total surface requested for payment in the mountain area: 536.666 ha



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### sM 11.1 –Payment for conversion to organic farming methods

Objectives: protecting the biodiversity, maintaining the soil fertility and functionality, reducing water pollution and improving the water management, reducing carbon dioxide emissions and ensuring animal welfare, increasing the added value of agricultural production and developing local economic activities. Through the support offered under this sub-measure, the farmers will be encouraged to switch from conventional farming to organic farming, with 6 packages defined:

- Package 1 - agricultural crops on arable land (including fodder crops), converting to organic farming;
- Package 2 - vegetables converting to organic farming;
- Package 3 – orchards converting to organic farming;
- Package 4 – vineyards converting to organic farming;
- Package 5 – medicinal and aromatic plants converting to organic farming;
- Package 6 – permanent meadows converting to organic farming.

Relevance for the mountain area:

- Number of commitments signed in the mountain area: 1.230
- Total surface requested for payment in the mountain area: 4.154 ha

### sM 11.2 –Support for maintaining organic farming practices and methods

Objectives: protecting the biodiversity, maintaining the soil fertility and functionality, reducing water pollution and improving the water management, reducing carbon dioxide emissions and ensuring animal welfare, increasing the added value of agricultural production and developing local economic activities. Through the support offered under this sub-measure, the farmers will be encouraged to maintain organic farming methods after the initial conversion period, with 6 packages defined:

- Package 1 - agricultural crops on arable land (including fodder crops), certified in organic farming;
- Package 2 - vegetables certified in organic farming;
- Package 3 – orchards certified in organic farming;
- Package 4 – vineyards certified in organic farming;
- Package 5 – medicinal and aromatic plants certified in organic farming;
- Package 6 – permanent meadows certified in organic farming.

Relevance for the mountain area:

- Number of commitments signed in the mountain area: 2.537
- Total surface requested for payment in the mountain area: 6.746 ha

### sM 16.4 - Support for horizontal and vertical cooperation among actors in the supply chain

Objectives: promoting the cooperation between the local actors for the purpose of marketing agri-food products through short-supply chains



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Relevance for the mountain area:

- Contracted projects in the mountain area: 5, with 16 holdings participating in supported systems (Total public expenditures: 113.475 lei)
- Finalized projects in the mountain area: 0 (Total public expenditures: 0 lei)

sM 16.4a - Support for horizontal and vertical cooperation among actors in the supply chain

Objectives: promoting the cooperation between the local actors for the purpose of marketing fruit and fruit products through a short supply chain

Relevance for the mountain area:

- Contracted projects in the mountain area: 2, with 8 holdings participating in supported systems (Total public expenditures: 1.242.755,50 lei)
- Finalized projects in the mountain area: 0 (Total public expenditures: 0 lei)

sM 19.1 - Preparatory support

Objectives: increasing the collaboration capacity needed to develop integrated strategies that will give local actors and representatives from different areas of work the opportunity to work together and interact in favour of communities in LEADER territories.

Relevance for the mountain area:

- Contracted projects in the mountain area: 49 (Total public expenditures: 2.573.925,48 lei)
- Finalized projects in the mountain area: 46 (Total public expenditures: 2,519,294.64 lei)

sM 19.2 - Support for the implementation of operations under the local development strategy

Objectives: implementation of operations under the Local Development Strategies of the selected LAGs.

Relevance for the mountain area:

- Contracted projects in the mountain area: 76 (Total public expenditures: 5.591.576,92 lei)
- Finalized projects in the mountain area: 0 (Total public expenditures: 0 lei)

sM 19.4 - Support for running and animation costs

Objectives: stimulating the local development process proportional to the needs identified by the LAGs at the level of the territory.

Relevance for the mountain area:

- Contracted projects in the mountain area: 59 (Total public expenditures: 82.734.724,66 lei – the value of the subsequent grant contracts no. 1)
- Finalized projects in the mountain area: 0 (Total public expenditures: 0 lei)

4. Measures/Sub-measures whose projects can not be located in a specific territory but which may have an impact on the territory of the mountain area: M01, M20

M01 – Knowledge transfer and information actions



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Objectives: improving the basic skills and knowledge as well as disseminating / assimilating the research and innovation results, through professional training and knowledge-raising actions among farmers (in particular young farmers who will benefit from support under sub-measure 6.1, farmers operating in small farms and who will be supported through sub-measure 6.3 and beneficiaries of the agri-environment and climate measure - measure 10); improving the basic knowledge among farmers/ small processors working in the agri-food sector by extending the scope and supporting other short-term actions such as demonstration activities and information actions.

Relevance for the mountain area: The support offered through this measure aims the professional training and skills acquisition (sM 1.1) but also for information and demonstrative activities (sM 1.2). Although the projects under this sub-measure can not be located on a specific territory, the projects selected under the measure may include certain areas within the mountain area and the specificity of the interventions financed under M01 contributes to the success of other NRDP measures, with high relevance for the mountain area. For example, the consistency of agri-environment and climate commitments could be ensured by increasing beneficiaries' access to knowledge transfer measures and information actions.

### M20 – Technical assistance

Objectives: enhancing the administrative capacity at the level of the authorities responsible for the implementation of the NRDP in line with the Partnership Agreement.

Relevance for the mountain area: the implementation of projects funded by the technical assistance measure contributes to the development and support of the administrative capacity of the program authorities in order to provide an optimal administrative and support framework to facilitate the achievement of all the targets set by the program. Thus, the measure has an impact on the entire territory covered by the NRDP, including the mountain area, facilitating the achievement of the objectives set for the development of the mountain area.

5. Measures/Sub-measures where no projects located in the mountain area have been contracted:  
sM 6.5, sM 13.2, sM 13.3

### sM 6.5 Scheme for small farmers

Objectives:

- supporting small farmers having participated to the small farmers scheme in Pillar 1 for at least one year and committing to permanently transfer to another farmer their entire holding and the corresponding payment rights;
- increasing the productivity and competitiveness of agricultural holdings;
- restructuring and modernization of small farms and their orientation towards the market.

Relevance for the mountain area:

- Contracted projects in the mountain area: 0 (of the total of 3 projects contracted by the end of 2017 on this sub-measure, none is located in the mountain area)



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- Finalized projects in the mountain area: 0

### sM 13.2 –Compensatory payments for areas facing significant natural constraints

Objectives: supporting the use of agricultural land located in areas where agricultural production is quantitatively and/or qualitatively reduced due to natural unfavourable conditions.

Relevance for the mountain area: This sub-measure does not contribute to the development of the mountain area because it does not address the beneficiaries located in the mountain area, but only the beneficiaries located in other areas facing significant natural constraints, delimited according to the sub-measure fiche.

### sM 13.3 – Compensatory payments for areas facing specific constraints

Objectives: supporting the use of agricultural land located in territorial administrative units that overlap completely or partially with the Biosphere Reservation of Danube Delta.

Relevance for the mountain area: This sub-measure does not contribute to the development of the mountain area because it does not address the beneficiaries located in the mountain area, but only the beneficiaries located in other areas facing specific constraints, delimited according to the sub-measure fiche.

### 6. Measures/Sub-measures not having contracted projects / commitments signed by the end of 2017: sM2.1, M03, sM 8.1, sM 9.1a, sM 15.1, sM 16,1, sM 16.1a, sM 17.2, sM 19.3

### sM 2.1 –Advisory services for farmers, young farmers, micro-enterprises and small enterprises in rural areas

Objectives:

- Facilitation through advisory services for young farmers and small size farms to prepare the business plan and manage its implementation with the scope to develop the agricultural holding and to orientate their activity towards the market, in order to improve its management with regards to the community standards;
- Counselling micro and small non-agricultural enterprises in rural area for the initiation and/or development of the business through non-agricultural activities, including the elaboration of business plans and their implementation;
- Ensuring advisory services for the establishment and development of associative forms of farmers. The result will be the reduction of the degree of fragmentation and the increase of the size of the agricultural holdings, as well as the increase of the competitiveness of the business.
- Counselling the beneficiaries who have agro-environmental commitments, organic farming (M10, M11). This will facilitate the provision of the prerequisites for the implementation of agricultural practices that contribute jointly to ensuring the sustainable management of natural resources (biodiversity, soil, water) as well as reducing GHG and ammonia emissions



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from agriculture. At the same time, promoting appropriate production methods will provide better adaptation to the effects of climate change.

- Counselling for qualitative restructuring of production, for applying competitive production practices, for compliance with the community standards and also acquiring the necessary knowledge for managing the holding, especially for beneficiaries of sub-measure 4.1, 4.2. As a result, agricultural holdings are expected to become viable from the economical point of view and from the environmental and climate performances point of view.

Relevance for the mountain area: The sub-measure does not have a specific allocation for the mountain area, but it can help to increase the access to other measures / sub-measures of the program and to facilitate their implementation by the inhabitants of the mountain area. Thus, for example, beneficiaries of climate and environmental commitments and organic farming can benefit from advisory services addressing at least the issues related to the completion and submission of payment commitments and requests, the management measures applicable at the farm level to meet the basic and the specific requirements of the commitments, the beneficiaries of measures 6.1 and 6.3 can benefit from advice for the preparation of the business plan and the beneficiaries of measures 4.1 and 4.2 can acquire the necessary knowledge for the management of the holdings.

### M03 – Quality systems for agricultural and food products

Objectives:

- encouraging the farmers or farmer groups to produce products in line with quality schemes, as well as a better promotion among consumers;
- improving the competitiveness of farmers;
- increasing the added value of agri-food products;
- economic growth and job creation

Relevance for the mountain area: The measure is divided into two sub-measures (sM 3.1 - Support for participation for the first time in quality schemes and sM 3.2 - Support for information and promotion activities of producer groups in the internal market), both being introduced into the program through the version V of NRDP 2014-2020, approved at the end of 2017. Since the documents necessary for the launch and implementation of these sub-measures were not elaborated by the end of 2017, they did not contribute to the development of the mountain area until then, but for the future they have potential for influencing its development, although there is no specific allocation for the mountain area.

### sM 8.1 – Afforestation and creation of woodland

Objectives: increasing the forest area countrywide by promoting the afforestation of agricultural and non-agricultural areas, thus contributing to fostering carbon sequestration, to adaptation to the effects of climate changes, the reduction of soil erosion, the restoration of soil biodiversity, the improvement of the water retention capacity, as well as to the restoration and preservation of local biodiversity.





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Relevance for the mountain area: Although no projects have been contracted by the end of 2017 due to institutional difficulties, the sub-measure is of particular relevance for the mountain area, contributing to the reduction of soil erosion caused by floods.

### sM 9.1a –Establishment of producer groups and organizations in fruit growing sector

Objectives:

- Improvement of the overall performances and the incomes of the fruit holdings;
- A better integration of primary producers on the market by adapting their production to market requirements and common marketing of their production;
- Creation and promotion of short supply chains;
- Compliance with the Community environment and climate, food safety etc. standards.

Relevance for the mountain area: The sub-measure does not have specific allocations for the mountain area in the annual sessions launched. Until the end of 2017 no projects were submitted or contracted under this sub-measure, so it did not contribute to the development of the mountain area up to that date.

### sM 15.1 –Payments for climate and forest-environment commitments

Objectives: increasing the forest area at national level by promoting the afforestation of agricultural and non-agricultural areas, contributing to carbon sequestration, adaptation to climate change impacts, reduction of soil erosion, rehabilitation of soil biodiversity, improved water retention capacity, and restoration and conservation of local biodiversity.

Relevance for the mountain area: Although the sub-measure did not contribute to the development of the mountain area by the end of 2017 due to the non-completion of the selection process of the 28 submitted applications, it is of particular relevance for the mountainous area, given that the largest areas of forest land are found in the mountain area.

### sM 16.1 – Support for establishment and functioning of operational groups (OG), for the development of pilot projects, of new products

Objectives: Support for the establishment and operation of the Operational Groups (OGs) for the specific purpose of jointly undertaking a new development-innovation project to address certain specific problems and to capitalize the opportunities that exist in the agri-food and forestry sectors.

Relevance for the mountain area: The sub-measure does not have specific allocations for the mountain area in the annual sessions launched and by the end of 2017 it did not contribute to the development of the mountain area as no sessions of projects were launched. In the future, the sub-measure can contribute to the development of the mountain area, existing the possibility that the territory of the mountain area applies to this sub-measure.

### sM 16.1a –Support for establishment and operation of operational groups (OG), for development of pilot projects, new products



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Objectives: Support for the establishment and operation of Operational Groups (GOs) in order to strengthen the links between the fruit growing and the research and innovation sector.

Relevance for the mountain area: The sub-measure does not have specific allocations for the mountain area in the annual sessions launched and by the end of 2017 it did not contribute to the development of the mountain area as no sessions of projects were launched. In the future, the sub-measure can contribute to the development of the mountain area, existing the possibility that the territory of the mountain area applies to this sub-measure.

### sM 17.2 –Mutual funds for adverse climatic phenomena, animal and plant diseases, parasitic infestations and environmental incidents

Objectives: supporting the farmers in stabilising their activity and production by receiving financial compensation for economic losses caused by adverse climatic events, animal and plant diseases, pest infestations and environmental incidents.

Relevance for the mountain area: The sub-measure did not contribute to the development of the mountain area by the end of 2017, as it was not launched until that date, in general being registered a high level of reluctance of the farmers in terms of joining associations and paying contributions to a mutual fund.

### sM 19.3 –Preparation and implementation of Local Action Group cooperation activities

Objectives: improving the local perspectives and strategies, gaining access to new information and ideas, learning from the experiences of other regions or countries, stimulating and supporting innovation, acquiring skills and getting the means to improve the quality of the services provided.

Relevance for the mountain area: as no projects under this sub-measure were contracted by the end of 2017, it did not contribute to the development of the mountain area. Moreover, the sub-measure does not have specific allocations for the mountain area, but the LAGs located in the mountain area can apply for funding under this measure.



## 6. Answer to the evaluation questions

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### 6.1 Answer to the evaluation questions<sup>30</sup>

Evaluation question 1: To what extent have the NRDP interventions contributed to improving the economic performance, to restructuring and modernization of the supported farms in the mountain area, particularly through increased participation in the market and agricultural diversification?

#### *Evaluation criteria*

The evaluation question is based on the following evaluation criteria:

- Increased participation in the market;
- Increasing diversification, improving economic performance.

#### *Analysed NRDP measures*

In order to answer the evaluation questions, considering the analysed evaluation criteria, the main sub-measures considered were: 4.1 "Investments in agricultural holdings", 4.1a "Investments in fruit-growing holdings", 16.4 "Support for horizontal and vertical cooperation among actors in the supply chain", 16.4a "Support for horizontal and vertical cooperation among actors in the supply chain of fruit sector".

Investments done within 4.1 and 4.1a sub-measures aim to increase competitiveness of agricultural holdings by endowment with competitive machinery and equipment related to the current activity of the agricultural holding, as well as investments for farm modernisation.

The objective of 16.4-16.4a sub-measures is to promote the cooperation between the local actors for the purpose of marketing agri-food products through short-supply chains. The sub-measure does not involve only the cooperation between farmers, processors, retail food traders, restaurants, hotels and other accommodation forms in the rural area, but also the establishment of partnerships with non-governmental organizations and public authorities.

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<sup>30</sup> \* the conclusions and recommendations for each evaluation question are presented in Chapter 8.

\*\* the analysis of the quantitative and qualitative data that has been used to formulate the answers to the evaluation questions is presented in Annex 1.



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

*Techniques / methods to answer the evaluation questions and drafting the conclusions*

The methods used encompass the analysis of administrative data, literature review, questionnaire survey to a sample of contracted projects, interviews with stakeholders and programme authorities and case studies.

**Administrative data**

Analysis on AFRI databases for sub-measures 4.1, 4.1a, 16.4, 16.4a. The data used shows the situation of the contracted and finalised projects for each sub-measure, in the mountain area, until 31.12.2017. For the selection of projects situated in the mountain area, filters were used on the databases for sM 4.1 and 4.1a, while for sM16.4, 16.4a, the projects were selected based on the codes of the localities of origin.

The analysis of administrative data has allowed for a better understanding of the implementation status of the sub-measures and has highlighted quantitative data for the analysed projects. Collecting and analysing the administrative data of the projects located in the mountain area has allowed to focus on the preliminary achievements observed at project level as well as highlighting the existing situation on the following criteria: total public expenditures, total investments, number of supported actions. Based on the administrative data, aspects related to economic performance and agricultural diversity of projects were highlighted.

The method for analyzing the administrative data has facilitated the process of formulating a response to the EQ1 by obtaining quantitative information on the number of contracted / finalized projects within the sub-measures analyzed, the project investment typology, the project activity field, the total public expenditure or total investments.

**Literature review**

The following literature has been analysed:

- Prospects for the EU agricultural markets and income 2016-2026<sup>31</sup>
- Strategy for the development of agri-food sector in the medium and long run 2020-2030<sup>32</sup>
- Labelling of agricultural and food products of mountain farming<sup>33</sup>

The literature review aims to provide additional information on Romanian farms and agricultural products, including the comparison with the situation of other EU countries. Thus, "*Future Trends in Agricultural Markets and Income at EU Level 2016-2026*" provided information on prospects for

<sup>31</sup> Prospects for the EU agricultural markets and income 2016-2026

[https://ec.europa.eu/agriculture/sites/agriculture/files/markets-and-prices/medium-term-outlook/2016/2016-fullrep\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/markets-and-prices/medium-term-outlook/2016/2016-fullrep_en.pdf)

<sup>32</sup> Strategy for the development of agrifood sector in the medium and long run 2020-2030

<http://www.madr.ro/docs/agricultura/strategia-agroalimentara-2020-2030.pdf>

<sup>33</sup> Santini F, Guri F, Gomez S. 2013. Labelling of agricultural and food products of mountain farming.

Project contracted by DG Agriculture and Rural Development (AGRI-2011-0460/JRC-IPTS No. 32349-2011-10).

[https://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2013/mountain-farming/fulltext\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2013/mountain-farming/fulltext_en.pdf)



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agricultural product markets and agricultural income during the period 2016-2026. Similarly, the "Strategy for the development of agri-food sector in the medium and long run 2020-2030" shows certain trends for Romania's agricultural sector. Thus, in order to substantiate the analysis, it is useful to compare the trends in Romania with those of other European countries. The latest study shows consumers' interest in specific labelling of agricultural products in the mountain area. The study points out that the development of mountain areas is closely related to culture and traditions, agricultural production and food processing being part of the culture. At the same time, the study highlights consumers' interest in mountain agricultural products. Although not all the information obtained refers to the mountain area, they facilitate the analysis of the tendency to increase agricultural market participation, including those in the mountain area.

Conclusions of the applied method:

Based on the documents included in the literature review, the following information was collected:

- labelling practices for mountain products;
- supply chains for agricultural and food products in mountain areas;
- medium and long-term prospects for the main agricultural goods traded on the EU market;
- strategic directions for medium and long term agri-food development.

These references support the analysis of the existing context and contribute to the answer to the first evaluation question.

### ➤ Survey based on questionnaire

Questionnaires were applied to the beneficiaries situated in the mountain area of sM 4.1, 4.1a (beneficiaries with at least one payment or finalised project) and sM 16.4, 16.4a (addressed to the partnership leaders involved in the implementation of cooperation projects, located in the mountain area).

The specific questions addressed to the beneficiaries, based on the questionnaire template, aimed at determining the contribution of the NRDP interventions to the improvement of the economic performance, the restructuring and modernization of the agricultural holdings in the mountain area, as well as the increase of their market participation or the agricultural diversification achieved through projects.

As a result of applying this method, qualitative information was obtained on all the aspects mentioned in the evaluation question 1.

### ➤ Interviews

Semi-structured interviews with representatives of the Managing Authority were organized to better understand the status of implementation of the measures involved (1 interview for measure 4, 1 interview for sM 16.4, sM16.4a, which included information on M1, M2).



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The interviews with the Managing Authority of the programme have been used to better understand the state of play of sM 4.1, 4.1a, 16.4, 16.4a and to identify the key factors (administrative obstacles, legal bottlenecks, etc.) that hinder the appropriate implementation of sub-measures in the mountain area, compared to other areas covered by the programme.

The method of using semi-structured interviews resulted in obtaining qualitative information on the following:

- The status of implementation of the programme and sub-measures (calls for proposals, payments, information and support activities, etc.);
  - Contribution of specific sub-measures to the evaluation themes, covered by the evaluation question;
  - Lessons learnt from the implementation of the programme, as well as the main obstacles encountered.
- Case studies

A case study has been carried out for one project under sM 4.1 which includes investments in the livestock sector<sup>34</sup>, with a secondary contribution to FA 3A. The case study involved the analysis of the application for financing and the usage of the instrument template utilised during the on-site visit.

The purpose of the case study was to obtain qualitative and quantitative information, to understand the context existing at the project level, to determine the significant effects achieved by the project. All the themes relevant to the evaluation question were addressed through the case study template.

As a result of the case study, information has been obtained on the economic performance of the holding, on the modernization process, on the degree of sales to new markets and information on future initiatives to diversify the activities.

### *Methodological limitations*

No specific problem was encountered. Considering the number of finalized projects, and the relevance of the sample, we have not found any particular methodological limitation.

### *Indicators considered and assimilated values<sup>35</sup>*

The indicators for the projects in the mountain area that were considered for this evaluation question are:

- Total public expenditures;
- Total investments;
- Number of actions / operations that benefited from investment support;

<sup>34</sup> Sub-measure 4.1 (a) - Investments in the setting-up, expansion and / or endowment of livestock farms, including efficient pollution reducing technologies and compliance with European Union standards and those for manure storage/management

<sup>35</sup> the analysis of these indicators is detailed in Annex 1.8 – Analyzing and discussing the indicators with respect to the benchmarking criteria referred to in the evaluation questions



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- Number of supported holdings / supported beneficiaries;
- Age of the beneficiary;
- Gender of the beneficiary;
- Number of benefiting family farms.

The target indicator based on the specific output indicators considered for this evaluation question:

- RO-OA19 Holdings in the mountain area benefiting from support for investments in agricultural holdings.

### *Answer to the evaluation question*

The NRDP sub-measures contribute positively to increasing participation on the market, increasing diversification and notably, to improving economic performance. The contribution is mainly related to sM 4.1, which has already produced some results, and to the expected positive effects on the partnerships created under sM 16.4.

SM 4.1 is the most accessed measure in relation to investments in agricultural holdings under the NRDP, having contracted projects situated in all counties. At regional level, considering the mountain areas, the contracted projects are concentrated mainly in the Centre region, where the main beneficiary agricultural holdings are located. A similar situation is recorded for sM 4.1a.

Differently from sM 4.1, the projects implemented under sM 16.4 are concentrated in the north of the country, especially in Cluj County, where a significant number of projects were contracted (66% of all projects contracted under the sub-measure).

SM 4.1 enjoyed high reputation among beneficiaries and has had a high degree of access since the previous programming period, namely under measure 121 - Endowment of agricultural holdings. Since the beginning of the programme and until 31.12.2017, at the level of sm 4.1, 4 calls for proposals were launched (1 call in 2015, 2 calls in 2016 and 1 call in 2017).

In the case of sM 16.4, since the start of the programme and until the end of 2017, three calls for proposals were launched, following which 76 projects were selected and 19 financing contracts were signed (generally for projects promoting partnerships with public entities, especially universities).

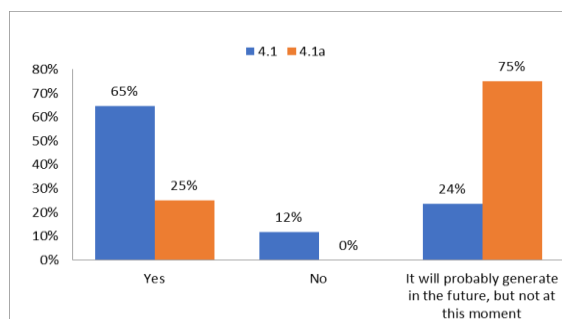
- Increasing participation on market

It can be observed that the investments done allowed an increase of sales and an expansion in local market shares.

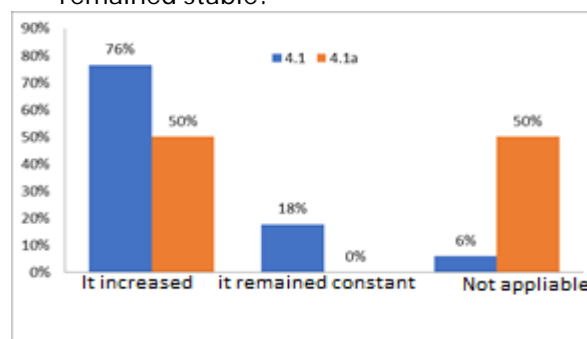
For the beneficiaries of sub-measure 4.1, as it has been remarked in the survey, the intervention succeeded to give a major opening to local market. The intervention has modified the existing market relations for the 64% of the respondents. For the 24% the effects are not still present, because of the early implementation phase, but the beneficiaries are optimistic regarding the development of new activities in the market in the next future; only for 12% of respondents the investments did not have effects.

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**Figure no. 3** Answers to the questionnaire: Do you consider that the funding obtained has generated new opportunities on the local market?



**Figure no. 4** Answers to the questionnaire: Compared with the situation before the implementation of the project, the global turnover has increased, decreased or remained stable?



Source: Data from the questionnaire survey, processed by authors

➤ Increasing diversification, improving economic performance

Diversification is considered as a highly positive process by the consulted beneficiaries, being capable to determine the total income growth. This factor is considered highly positive (71%) by the beneficiaries of submeasure 4.1 while it doesn't seem to be present for the beneficiaries of submeasure 4.1a considering both the present state of implementation of projects and the high specialization of fruit sector which needs very specific investments and which produce medium or long term effects.

Altogether the diversification could lead to good results in the future, but until now it is only partially started due to the big concentration of the investments within sM 4.1 related to plant holdings that produce commodity products.

At the level of the submeasure 4.1, the incidence of the different types of investments<sup>36</sup> shows a deeper concentration of the activities of agricultural holdings on typology 4.1.b (investments in the field of holdings, including storage, conditioning, sorting, packaging of plant production) followed by the investment typology 4.1.a (livestock), while all the other typologies of investments are poorly represented within this submeasure. In the case of sub-measure 4.1a<sup>37</sup> most of the investments are

<sup>36</sup> Types of investments under submeasure 4.1:

4.1.a Investments in the setting-up, expansion and / or modernization of livestock farms, including efficient technologies for pollution reduction and compliance with Union standards and technologies for manure storage / management;  
4.1.b Investments in the establishment, extension and / or modernization of plant farms, including storage, conditioning, sorting, packing of plant production to increase the added value of the products;  
4.1.c Investments to meet Community standards for young farmers in accordance with Art. 17 (5) of Reg. 1305/2013;  
4.1.d Establishment and / or modernization of farm access ways, including utilities and connections;  
4.1.e Investments in agricultural products processing at farm level as well as investments for marketing;  
4.1.f Investments in the establishment / replacement of plantations for table grapes and other perennial crops  
4.1.g Investments in the establishment, extension and / or modernization of farms, other than those referred to in points a to f

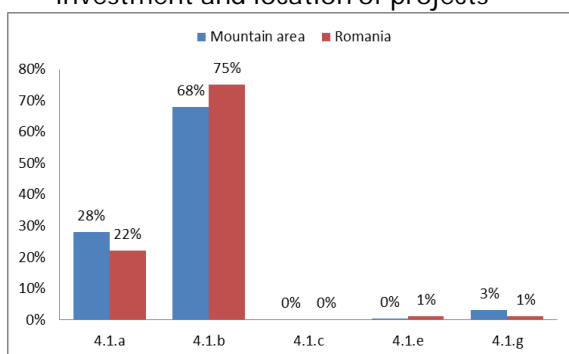
<sup>37</sup> Types of investments under submeasure 4.1a:



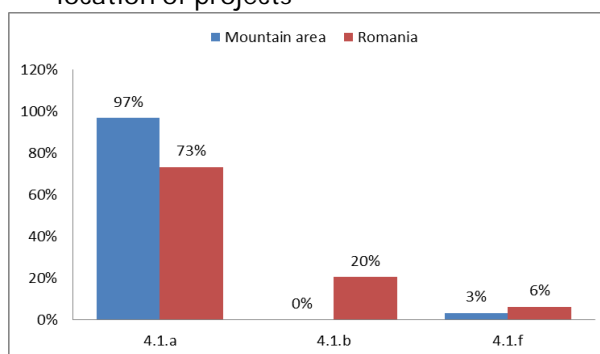
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related to the setting up and modernization of the fruit farms, including the establishment and conversion of fruit plantations and the modernization of the agricultural machinery and equipment.

**Figure no. 5** Submeasure 4.1, the amount of public expenditure by type of investment and location of projects



**Figure no. 6** Submeasure 4.1a, the amount of public expenditure by type of investment and location of projects



Source: Data from the questionnaire survey, processed by authors

4.1.a Investments for the setting up and modernization of fruit-growing farms, including the establishment and conversion of fruit plantations and the modernization of the agricultural machinery and equipment park

4.1.b Investiții pentru înființarea și modernizarea pepinierei pomicele, inclusiv în creșterea suprafețelor ocupate de material săditor

4.1.f Investiții pentru înființarea și/sau modernizarea căilor de acces în cadrul fermei, inclusiv utilități și racordări.



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Evaluation question 2: To what extent have the NRDP interventions contributed to the development of small farms in the mountain area, through structural change and openness to the market of the small farms, as well as through the increasing of the ability to identify new market opportunities for their production?

### *Evaluation criteria*

The evaluation question is based on the following evaluation criteria:

- Developments of small farms
- New opportunities for capitalizing on production
- Increasing market coverage

### *Analysed NRDP measures*

The analysis is focused on sM 6.3 „Support for the development of small farms”. The support granted is directed towards the improvement of access on the market, the improvement of the quality production and to ensure the endowment needed in order to adapt to modern standards, streamlining costs and increasing income. The diversification of the agricultural production will also be supported for marketing and supply on the local markets.

### *Techniques / methods to answer the evaluation questions and drafting the conclusions*

#### Administrative data

The analysis of the AFRI databases for sub-measure 6.3 concerns the finalised and contracted projects until 31.12.2017.

The analysis of the administrative data has allowed for a better understanding of the implementation status of sub-measure 6.3 and has highlighted quantitative data on the territorial distribution of the projects in the mountain area, the number of actions / operations financed, the age and gender of the beneficiaries, as well as the data on the contracted public expenditures. At the same time, through the analysis of the administrative data, a comparison was done on the operations financed within sM6.3 in the mountain area with the ones from the national level, in order to check the impact of the NRDP on the small farms in the mountain area.

The method of analyzing the administrative data has facilitated the process of formulating a response to the EQ2 by obtaining quantitative information on the number of contracted / finalised projects within the submeasure, the age and gender of the beneficiaries and the contracted public expenditure.

- Literature review

Analysis of the following literature sources:



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- Mountain Research and Development<sup>38</sup>;
- Study on establishing the socio-economic development potential of rural areas<sup>39</sup>;
- "Small farmers in the Romanian dairy market: Do they have a future?"<sup>40</sup>

The literature review has included the examination of three main sources that analyse the performance of the small farms in Romania on the dairy market and the general development of the mountain areas. Thus, through the literature review, it was possible to provide an answer on the contributions of the NRDP interventions to the development of the small farms in the mountain area and to increase their participation on the product market.

Based on the documents included in the literature review, information was collected on the potential of socio-economic development of rural areas, the evolution of the family farms in mountain areas, as well as information on the performance of small farms in Romania.

### ➤ Survey based on questionnaire

A survey was carried out on a representative sample of 50 projects financed under sM 6.3 (beneficiaries with at least one payment or finalised project).

Through the applied method, it was made an analysis on the possible effects of the NRDP interventions on the development of small farms in the mountain area through structural transformation or market opening.

As a result of applying this method, qualitative information was obtained on the issues mentioned in the evaluation question 2. Thus, information on the market coverage of small farms and the opportunities for capitalizing on production were collected.

### ➤ Interviews

A semi-structured interview with the Managing Authority was conducted on the implementation status of M 6 (the interview included aspects related to sM 6.1, 6.2, 6.3, 6.4, 6.5).

The interview with the Managing Authority of the programme has been used to better understand the status of implementation of sM 6.3 and to identify key factors (administrative obstacles, legal bottlenecks, etc.) that prevent adequate implementation of the submeasure in the mountain area, compared to other areas targeted by the programme.

The method of using the semi-structured interview has resulted in obtaining qualitative information on the status of implementation of sM 6.3. At the same time, relevant information was gathered to support the EQ2 response, through the qualitative data on the programme's contribution to increasing

<sup>38</sup> Mountain Family Farms in Galicia, Spain: Challenges and Strategies - Mountain Research and Development - <http://www.bioone.org/doi/full/10.1659/MRD-JOURNAL-D-14-00015.1>

<sup>39</sup> Study on establishing the socio-economic development potential of rural areas - <http://www.madr.ro/docs/dezvoltare-rurala/programare-2014-2020/studiu-potential-socio-economic-de-dezvoltare-zone-rurale-ver-10.04.2015.pdf>

<sup>40</sup> "Small farmers in the Romanian dairy market: Do they have a future? 111 EAAE-IAAE Seminar



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market shares and identifying new opportunities to capitalize on the production of small farms in the mountain area.

### ➤ Case studies

A case study was carried out at the level of sM 6.3, for one finalised project on zootechnical activities in mountain areas. The case study involved the analysis of the application for project financing and the usage of the instrument template utilised during the on-site visit.

The purpose of the case study was to obtain qualitative and quantitative information, to understand the existing context at the project level, to determine the significant effects achieved by the project. All the themes relevant to answer the evaluation question were addressed through the case study template.

As a result of the case study, information has been obtained on farm development, market share growth, and information on opportunities to capitalize on production.

### *Methodological limitations*

There are no specific methodological limits, given the implementation status of the submeasure.

### *Indicators considered and assimilated values*

The main indicators considered for the analysis are the following: Total public expenditure, Number of supported holdings / supported beneficiaries, Number of LEADER projects receiving assistance, analysis on the family farm. In addition, it was carried out the analysis on the target indicator, based on the specific output indicator RO - OA 22 - Beneficiaries (holdings) in the mountain area benefiting from support for small farms (number)

### *Answer to the evaluation question*

Overall, the NRDP interventions has contributed positively, but limitedly, to the development of small farms in mountain areas, due to the low degree of implementation, especially in the case of sM 6.3, and the structural difficulties related to diversification and specialization, as general strategies for the development and growth of small farms.

The answer to the evaluation question describes, first of all, the main challenges to the implementation procedures, which partially obstruct the exploitation of sM 6.3. Then, the answer focuses on the three evaluation criteria: "Small Farm Development", "New Production Exploitation Opportunities", "Increasing Market Coverage".

sM 6.3 has shown a relatively low degree of attractiveness due to the current legislative framework (eg the Nitrates Directive) and due to the difficulties in complying with sanitary, environmental and public health rules. For example, small farms (less than 100 livestock units) willing to work in the livestock sector need to build a manure storage area / platform to comply with the Nitrates Directive. The analysis of the programme monitoring system data confirms this and allows for a more detailed general analysis.



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In mountain areas, the total number of beneficiaries under sub-measure 6.3 is 1,144, 28% of the total beneficiaries of contracted projects at sub-measure level in Romania (4.136). The gender and age comparison among beneficiaries of sub-measure 6.3 in mountain areas and those in other regions of the country highlights similar situations in terms of distribution of beneficiaries by age group and, given the gender comparison, it is noted that women have applied within the sub-measure in the mountain area (31%) in a higher percentage than the national average (28%). Regarding the territorial distribution, 87% of the public expenditures contracted under the sM are related to the projects located in 10 of the 27 counties that comprise the territory in the mountain area, Hunedoara county gathering most of the contracted public resources.

Thus, by comparing the current status of implementation of sM 6.3 with its target, it is noted that it is necessary to contract additional projects to achieve the final objective of RO-OA22 (3381). The number of new finalised projects (taking into account the RO-OA22 indicator) by December 2017 in the mountain area is very low (14) compared to the value recorded for transition finalised projects (904); in any case, the number of projects contracted with new resources (1,144) will contribute to achieving the planning objective in the coming years. Under the approved LDSs, 8 projects were submitted to sub-measure 6.3, by the end of 2017, but none were finalised. Taking into account the data as of 31.12.2017, 20% of the projects contracted with new resources were finalised. According to the NRDP, the percentage of funds planned under sM 6.3 and allocated to the mountain area cannot exceed 33% of the total national budget for this sub-measure considering the total mountain area of Romania (this represents approximately 30%).

Development of small farms – In only a few cases, farmers have invested in expanding the surface of agricultural land (only 6% increased their agricultural area significantly, 10% partially, while 13% did not make such investments), but the economic viability of farms has increased as a result of NRDP interventions for a significant number of beneficiaries (78%), because in many cases they have reduced production costs through the use of innovative processes.

The analysis on the answers provided under the questionnaire highlights that in order to allow an increment of income, 50% of the respondents consider that the diversification of products and of activities offer a better strategy compared to specialization on a certain activity (considered optimal by only 22% of respondents, while the remaining 28% do not consider these changes as being important for the farm). The limited size of the beneficiary agricultural holdings within sM6.3 influences their decision to change their strategies for the agricultural activities or the surface area of the farm. Therefore, in too many cases (28%) the beneficiaries of sM6.3 do not have a specific strategy to improve the size of the holdings. In the case of sM 4.1, where the beneficiaries hold larger farms, they consider diversification (65%) or specialization (24%) to be of significant importance for the development of the farm.

This is also highlighted in the paper work of Francisco Sineiro-García, Ibán Vázquez-González and Ana Isabel García-Arias (2014), which analysed the challenges and strategies of small mountain farms (see relevant appendix). Evidence shows that the main objectives of small-scale farms in the mountain area are to develop family activities and stabilize incomes of the family, which often come from external



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activities. As a result, the strategies of the small farms in the mountain area differ from the strategies of other farms benefiting from the NRDP interventions.

As a result of their different strategies, very few farms in the mountain area apply within several sub-measures. In addition, even if there is a possibility to continue to benefit from support after the completion of the project under sM 6.3 through application under sM 4.1, only a small number of farms have applied to both sub-measures (4% of the sample).

Increasing market coverage – The NRDP intervention has only partially succeeded in increasing the market opportunities for small farms, which continue to be rather related to the self-consumption of agricultural products. In most cases, the intervention did not modify the existing market relationships.

The information is supported both by the questionnaire survey and by the study on the dairy sector in Romania (Pieniadz, A., J.H. Hanf, et al., 2009). Thus, it is underlined that there are theoretical possibilities for small farms to find a niche strategy and the possibility of expanding their markets, but this is true only in certain touristic areas (Maramures, southern Transylvania, Apuseni Mountains). In any case, most of the supply chains for traditional products are in the early stages of development.

This consideration is valid not only for the dairy sector but also for the other small-scale farms. It was noted that beneficiaries of small farms can increase the economic viability of the holding only if there is a significant external factor.

New opportunities for capitalizing on production – The analysis on beneficiaries under sM 6.3 shows that the investment opened new market opportunities for 64% of respondents, while in 34% of cases the investment was mainly completed to reduce production costs and not directly to increase market opportunities.

The allegations are also supported by the evidence from the case study carried out in Hunedoara, where the activities implemented within the project have allowed for the elimination of the acquisition cost of seedlings and have increased the economic relations both to the supermarkets known in the area and to the associations of vegetable producers.

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Evaluation question 3: To what extent have the NRDP interventions contributed to maintaining and installing young farmers in the mountain area?

*Evaluation criteria*

The main evaluation criterion to answer the evaluation question is „Maintaining and setting-up of young farmers in the mountain area”.

*Analysed measures within NRDP*

The submeasures of interest for this evaluation question are sM 4.1, 4.1a, 6.1, 6.3. In addition, since the evaluation question relates to the contribution of NRDP to maintaining and setting-up of young farmers in the mountain area, the analysis has included all the projects registered under sM 6.1 and only the projects whose beneficiaries are less than 40 years old for sM 4.1, 4.1a, 6.3. Details regarding their implementation are illustrated in the table below.

**Table no. 3** Implementation status of submeasures 4.1, 4.1a, 6.1, 6.3 at the end of 2017

sM	Status at 31.12.2017				Total projects contracted in mountain area	Total projects contracted at the level of submeasure
	Finalised projects in mountain area	Total projects finalised at the level of submeasure	Cancelled projects in mountain area	Total projects cancelled at the level of submeasure		
4.1	16	248	1	2	77	563
4.1a	0	0	0	1	1	12
6.1	19	338	0	9	2.002	9.721
6.3	3	22	0	1	290	1.044

*Source: Administrative data processed by the evaluation team  
Information related to beneficiaries under 40 years old for sM 4.1, 4.1a, 6.3 and all beneficiaries for sM 6.3<sup>41</sup>*

*Techniques / methods to answer the evaluation questions and drafting the conclusions*

To answer to this evaluation question were uses the following methods/techniques: analysis of administrative data, literature review, questionnaire survey, interviews, case studies, analysis of indicators.

➤ Analysis of administrative data

Analysis on AFRI databases for sub-measures 4.1, 4.1a, 6.1, 6.3. The data used shows the situation of the contracted and finalised projects at the level of the sub-measures, in the mountain area until 31.12.2017, for the beneficiaries up to 40 years in the case of sM 4.1, 4.1a, 6.3 and for all beneficiaries within the sM 6.1.

<sup>41</sup> In the case of sM 4.1, 4.1a, 6.3, the contracted projects have as beneficiaries legal entities, in which case the age category is not monitored.



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The analysis of administrative data has allowed for a better understanding of the implementation status of sub-measure 6.1 and has highlighted quantitative data on the territorial distribution of the projects in mountain area, the number of actions/ operations financed, data on public expenditure contracted, the number of beneficiaries under the age of 40 years and the number of LEADER projects receiving assistance.

The method of analysing the administrative data has facilitated the process of formulating a response to EQ3 by obtaining quantitative information on the number of contracted / finalised projects of the analysed sub-measures, while also by identifying beneficiaries under 40 years and public expenditures related to these projects.

➤ Literature review

The following documentary source was utilised: *Pathways of Immigration in the Alps and Carpathians: Social Innovation and the Creation of a Welcoming Culture*<sup>42</sup>

The literature review highlights the main findings of a specific paper on the Alps and the Carpathians, illustrating the immigration paths. The case study in Romania was located in Fundata, a village located in the Romanian Carpathians.

On the basis of the study, conclusions could be drawn on the tendencies of maintaining and setting-up of young people in mountain areas.

➤ Questionnaire based survey

A questionnaire survey was carried out at the level of beneficiaries with projects funded under sub-measures 4.1 - with particular reference to the livestock sector, 4.1a, 6.1 and 6.3. The sample for analysis included all the responses received from the beneficiaries on the particular sub-measures. Out of the answers received, only the ones relevant for the analysed themes for each evaluation question were selected (for this evaluation question, only the answers provided by the beneficiaries up to 40 years of age were considered).

Considering the early stage of the programme's implementation, the survey aimed to better understand the general motivation that led the young people to carry out these activities and only in a secondary plan to analyse the preliminary economic effect they had obtained. Therefore, the respondents were asked whether the place of birth is in the mountain area and whether they have changed their domicile in the last 10 years. These types of questions have been formulated in order to analyse the issues related to migration of people and the underlying reasoning of migration.

As a result of applying this method, qualitative information was obtained to answer the evaluation question 3.

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Pathways of Immigration in the Alps and Carpathians: Social Innovation and the Creation of a Welcoming Culture”, autori: A.Gretter, I.Machold, A. Membretti, and Thomas Dax, sursa: Mountain Research and Development, 37(4):396-405, publicat de către: International Mountain Society: <http://www.bioone.org/doi/full/10.1659/MRD-JOURNAL-D-17-00031.1>





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### ➤ Interviews

Semi-structured interviews were conducted with representatives of the Managing Authority on the implementation status of the sub-measures (1 interview for M 4, 1 interview for M 6 – which have included information on the respective sub-measures).

The interview with the Managing Authority of the programme was used to better understand the implementation status of sub-measures, with reference to young applicants in mountain areas.

The method of using semi-structured interviews resulted in obtaining qualitative information on the implementation status of the sub-measures. At the same time, relevant specific procedural information has been obtained with regards to sM 6.1.

### ➤ Case studies

A case study was carried out for a project implemented and finalised by a young beneficiary (27 years) in mountain areas, under sM 6.1. The case study involved the analysis of the application for project financing and usage of the template of the instrument during the on-site visit.

As a result of the case study, relevant information was obtained related to maintaining and setting-up of young farmers in the mountain area.

### *Methodological limitations*

A methodological limitation encountered was the delimitation of beneficiaries below 40 years of age, for sM 4.1, 4.1a and 6.3, for legal beneficiaries, for whom there is no detailed information on the exact age of the persons responsible for the activities undertaken.

### *Indicators considered and assimilated values*

The indicators considered for the analysis encompass: total public expenditures, total investments, number of beneficiaries  $\leq$  40 years, number of LEADER projects receiving assistance, number of holdings, specific outcome indicator RO-OA 21: *Beneficiaries (holdings) from mountain area which benefit from setting-up support for young farmers.*

### *Answer to the evaluation question*

The NRDP sub-measures contribute positively to maintaining and setting-up of young farmers in the mountain area. NRDP allows young people to improve their quality of life by conducting activities in mountain areas, mainly by highlighting the high degree of attractiveness for potential applicants under sub-measures 4.1 and 6.1<sup>43</sup>.

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<sup>43</sup> Despite the number of finalised projects in 2017 in the mountain area under sub-measure 6.1, which is quite low (19) compared to the figure recorded in 2016 (239) for transition projects; in any case, the number of contracted projects (2.002) will facilitate the achievement of the planned target in the coming years.

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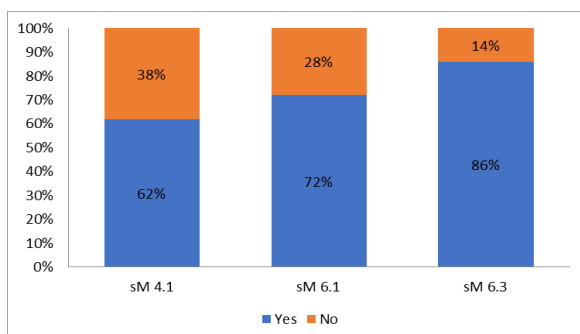
This aspect is supported by the analysis resulting from the application of the mix of methods used to answer the evaluation question. Thus, the information is confirmed by the questionnaire survey and the case study.

It was noted that young beneficiaries wish to set up business in the mountain area, with NRDP funding being a real opportunity for this purpose. As a consequence, funding for setting up young farmers supports the maintenance of young people in mountain areas.

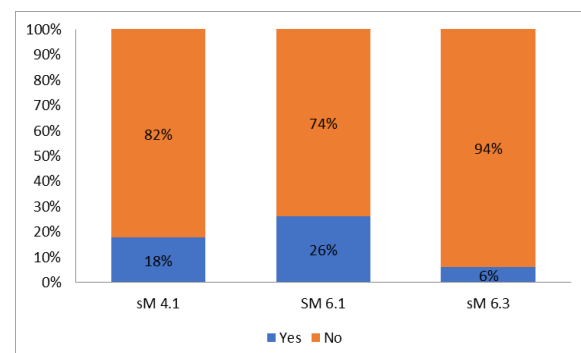
The comparison of the beneficiaries' characteristics of sM 6.1 with the ones of sM 4.1 and 6.3, shows that the beneficiaries with small farms (sM 6.3), are mainly born in mountain area (86%) and they did not moved from other places (94%). On the contrary the beneficiaries of structured farms (sM 4.1) have a less incidence of people born in mountain area (62%) and in the 18% cases of the sample for sM 4.1 they have moved in the last ten years.

In the case of young farmers (sM 6.1), 72% of the beneficiaries from the sample were born in mountain areas, but 28% have moved from other areas, in the majority of the cases for a different kind of life style and better job opportunity. To sum up, NRDP has allowed young people to improve their quality of living by conducting activities in the mountain areas.

**Figure no. 7** Are you born in the mountain area?



**Figure no. 8** In the last ten years have you moved from another place than where you are you living and working at the moment?



Source: Data from the questionnaire survey, processed by authors

Another interesting comparison between submeasures 4.1, 6.1, and 6.3 was done to check the different educational levels of the beneficiaries. Usually, in many analyses done in other European countries the young people involved in measure 6.1 have a higher educational level compared with the beneficiaries of others measures. On the contrary, in Romania, the educational level is higher in farms that have a better organizational structure, as in the case of sM 4.1.

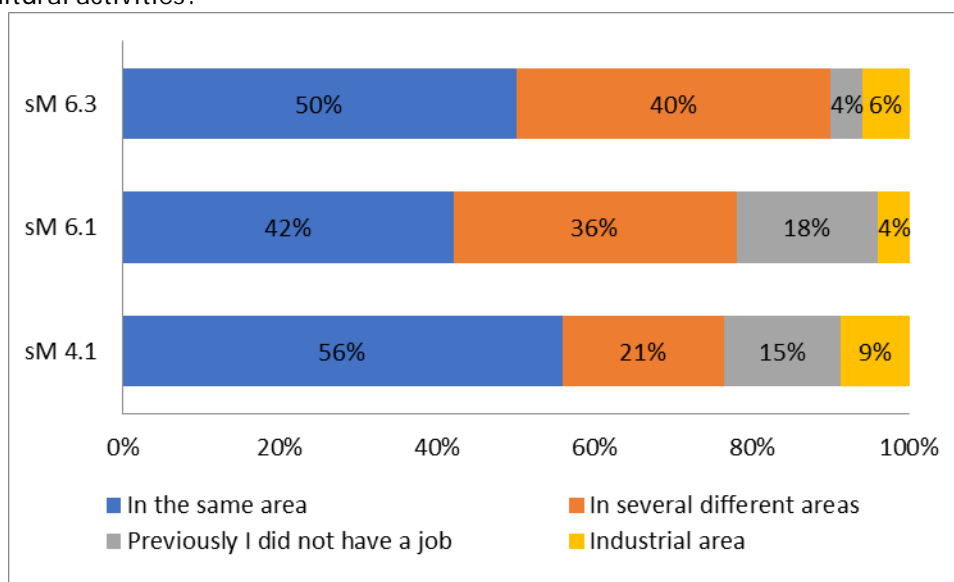
In the case of submeasure 6.3 a high specialisation is not needed to manage a small farm, while in the case of measure 6.1 the new start-up give the possibility to young people to create a new job opportunity regardless their education level.

The high incidence of the agricultural activity in Romania (22%) related to the total labour force (CCI 13 - Employment by economic activity, year 2016) is the main motivation of the reason of a low mobility

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between the different economic activity. In 42% of the cases the young farmers have already worked in agriculture, before opening a new farm, while 36% have done other types of activities and 18% were unoccupied before being involved in agricultural activities. These values compared with the answers of the beneficiaries of submeasures 4.1 and 6.3 show that sM 6.1 have help a relevant number of young people to find a job opportunity and contributed to reduce the unemployment rate in mountain area.

**Figure no. 9** Answers to the question „In which sector did you work before being involved in agricultural activities?”



Source: Data from the questionnaire survey, processed by authors

The beneficiaries that have applied under the analysed investment measures were heavily influenced by the grants of NRDP. In almost the totality of the cases analysed, the beneficiaries of sM 6.1 and 4.1 declared that they would not have done the investment without the funds offered by NRDP, while in the case of submeasure 6.3, only 16% declared the contrary.



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Evaluation question 4: To what extent have the NRDP interventions contributed to reduce the GHG and ammonia emissions generated by the agriculture in the mountain area and to adaptation to climate change?

### *Evaluation criteria*

The evaluation question is based on the following evaluation criterion: Reduction of GHG and ammonia emissions in the mountain area.

### *Analysed measures within NRDP*

As highlighted in the methodological report of the evaluation study IV, the following sub-measures and measures have been considered in order to answer the evaluation question 4: sM 4.1, 4.3, 6.1, 6.3, 10 (P 1, 2, 3, 4, 6), 15.1.

In the case of sM 4.1, the analysis is referred to investments within the typology 4.1.a "Investments in the establishment, extension and / or modernization of livestock farms, including efficient pollution reduction and compliance with European Union standards and manure storage / management."

SM 4.3 includes three types of investment: access roads to agricultural holdings; forest roads; irrigation and water storage systems. sM 4.3 (in particular, the types of investments related to access roads for agricultural holdings and forestry roads) has been analysed from the perspective of adaptation to climate change. The analysis focuses on risk mitigation (advantages / disadvantages caused by the construction / rehabilitation of access roads for forest fire management) and ecosystem fragmentation.

For sM 6.1 and 6.3, the analysis relates to livestock sector projects. These have been selected from the monitoring database level by filtering projects based on information in the column "Agricultural branch type".

In the case of M10, encouraging agricultural practices based on manual works and avoiding the use of mechanized machinery, as well as prohibiting the application of chemical fertilizers and limiting the use of organic fertilizers, while reducing the number of animals on permanent grassland, contribute to the reduction of greenhouse gas emissions and ammonia from agriculture. Also, the use of crops with a high capacity to fix nitrogen in the soil, contributes to reducing climate change.

SM 15.1, through the protection of soil resources, also contributes to the reduction of greenhouse gas emissions from the forest soil. At the same time, by maintaining an increased herbaceous consistency, forests contribute to reducing greenhouse gas concentrations in the atmosphere by carbon sequestration and adaptation to the effects of climate change as well as to increasing surface water retention (in the case of floods).

### *Techniques / methods to answer the evaluation questions and drafting the conclusions*

In order to answer this evaluation question the following methods were used: analysis of administrative data, literature review, questionnaire survey, interviews.



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### ➤ Administrative data

Administrative data was analysed to collect information on procedural issues, such as the number of beneficiaries and projects (contracted, finalised), or the value of the investments. The territorial dimension has also been investigated as an area of interest. For projects under sM 4.1, 4.3, 6.1 and 6.3, the indicators were analysed by comparing contracted and finalised projects, taking into account differences in investment typology, with an emphasis on the livestock sector.

In the case of environmental and climate measures, these are limited for this EQ to M10 – Agri-environment and climate, focusing on packages 1, 2, 3, 4 and 6. Thus, a comparative analysis on the types of areas targeted by M10 interventions was carried out, taking into account the evolution of the number of beneficiaries and the supported surfaces by type of eligible areas (2015, 2016, 2017). Presented in Annex 1.5 – *Analysis on environmental measures*.

Until the end of 2017 there were no projects contracted at the level of sub-measure 15.1 according to the information provided by PAIA and Programme Managing Authority. The management and implementation of sub-measure 15.1 has been delegated to PAIA. In the case of sub-measure 15.1, no commitment was signed by the end of 2017. The evaluation of the technical dossiers has not been completed yet, encountering general problems related to the impossibility of accurately calculating the surface areas covered by the commitments for the two packages of sM 15.1. (for example: quiet areas in the case of P1 and areas broken down by managerial amenity units with years of commitment in the case of P1 and P2).

### ➤ Literature review

The main reference document that has been examined is the "National Strategy of Romania on Climate Change 2013-2020", with an emphasis on the action plan included in the strategy.

### ➤ Questionnaire based survey

As stated in the methodology, there were no questionnaires that would strictly address this evaluation question. However, the questions addressed to the beneficiaries of the contracted projects with agricultural activities provided information on the newly introduced innovative technologies, while the questionnaires addressed to the beneficiaries of sM 4.3 provided information on the perception of the contribution of this sM to the reduction of greenhouse gases emissions.

### ➤ Interviews

Interviews with key stakeholders were organized, relevant for the in-depth understanding of the problems faced by the mountain area.

The list of interviews considered relevant to provide an answer to this evaluation question includes the following institutions: PAIA (M 10, sM 15.1), NRDP Managing Authority: Environmental Measures Department (M10, M11, sM 8.1, sM 15.1), Investments Measures Department (sM 6.1 and 6.3),



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Investment Measures Department and Rural Infrastructure Department (sM 4.1 and 4.3), Mountain Area Agency, Ministry of Waters and Forests - General Directorate of Forests.

### *Methodological limitations*

The main limitations are related to the lack of information at project level or at the level of the regions in the mountain area. First, through the available data and information it is not possible to estimate the actual contribution of sM 4.1 to climate change (reduction of GHG and ammonia emissions). An accurate measurement would require ad hoc data on implemented projects for instance on energy savings, GHG emission actually avoided. Administrative data only allows the measurement of the level of implementation of projects under 4.1 with a possible contribution to climate change mitigation. Secondly, in the case of sM 15.1, the lack of projects under implementation prevents from making a full assessment of the sub-measure.

### *Indicators considered and assimilated values*

The main indicators considered in the analysis encompass: total public expenditures, total investments, total area, the physical surface area supported, number of supported contracts, number of LEADER projects receiving assistance, number of beneficiaries.

### *Answer to the evaluation question*

The NRDP measures have contributed to the reduction in GHG emissions by increasing the surface areas under commitments (sM 10.1) and stimulating innovations (sM 4.1, 6.1, 6.3). However, it is not possible to certainly assess the positive contribution of NRDP to GHG reduction in the case of sM 4.3, due to the lack of data and in the case of sM 15.1, due to implementation delays.

The contribution of NRDP to the reduction of GHG emissions is done through various types of intervention.

The implementation of sM 4.1, 4.3, 6.1 and 6.3 has contributed to the adoption and usage of innovative technologies and processes, which has led to a reduction in GHG emission, as also confirmed by the respondents to the questionnaire. However, it is not possible to quantify the actual contribution based on administrative data because there are no specific selection criteria related to climate change mitigation, which might be used to estimate the actual contribution.

Related to sM 4.3 – investments in infrastructure, it is not possible to certainly assess the positive contribution in GHG reduction, as there is no sufficient data. Despite this, according to the interview with the MA, the increased accessibility improves maintaining/ continuation of the agricultural activities by preservation of the vegetation and maintenance of biodiversity, while the beneficiaries' questionnaire does not confirm the link between road construction and positive effects on forest management. Moreover, recent studies (see literature review for EQ8) evidence that forests accessible by roads are more frequently subject to deforestation. The net contribution of road construction to greenhouse gas emissions depends on several factors, often with potential adverse effects on greenhouse gas emissions, including cutting forests for road construction (reducing absorption), reducing transport time (reduction of emissions), increase in the number of transit vehicles (increase



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of GHG emissions) and others. Net contribution can only be assessed on the basis of a specific study on the financed projects.

Some agricultural practices (as the maintenance of permanent meadows or green crops) as well as the reduction of use of fertilisers, can contribute to mitigate climate change. These are sustained by the interventions done through M10 and M11.

The administrative data show an increase of the surface under environmental commitments (M10) that allow a net positive contribution to the reduction of GHG emission and an increment of GHG absorption. Not all the packages for mountain areas have received requests. Above all, the support has interested P1 (High natural value meadows) whereas P3 and P4 together have covered only the 5% of the supported area. Other packages, as P2 and P6 - important to counter climate changes in mountain area - were not accessed at all.

Furthermore, an unexpected consequence of the support from NRDP has been underlined in the interview with PAIA, affirming that subsidies for areas located in the mountain area can have a negative effect on naturally forested lands, since seedlings are cut by owners to prove that the land is free and to receive such subsidy.

Despite the fact that the sustainable forest management is a fundamental tool in climate change strategies, the effects of sM 15.1 cannot be fully assessed due to the delays in implementation. Authorities involved in the approval of requests are making several efforts to overcome the problems encountered in previous sessions. Moreover, the low participation under sM 15.1 can be also partially explained by the need of an appropriate knowledge by the beneficiaries in order to implement the commitments or prepare the projects.



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Evaluation question 5: To what extent have the NRDP interventions supported the investments in the processing and marketing of the agricultural products in the mountain areas?

*Evaluation criteria*

The main evaluation criteria for answering this question is „The evolution of processing and marketing of agricultural products”.

*Analysed measures within NRDP*

The submeasures analysed to answer the question are sM 4.1, 4.2, 4.2a, 9.1, 16.4, 16.4a, while for sM 4.1 only the projects with secondary contribution to FA 3A have been accounted.

The submeasure 4.2. „Investments for processing/marketing of agricultural products” supports the enterprises making tangible and intangible investments for processing and marketing of agricultural products. Submeasure 4.2.a is a specific submeasure for processing and marketing of fruits and fruit products. sM9.1 - setting up of producer groups and organisations in the agriculture and forestry sectors helps the establishment of producer groups according to the provisions of the national legislation.

The submeasures 4.1, 16.4 and 16.4a are described in the sections related to others EQs.

*Techniques / methods to answer the evaluation questions and drafting the conclusions*

➤ Administrative data

The administrative data on the main analysed measures were used to provide an answer to this evaluation question, sM 4.1 (only projects with secondary contribution to FA 3A), 4.2, 4.2a, 9.1, 16.4 and 16.4a, taking into account both the completed projects and the contracted projects up to 31.12.2017.

➤ Literature review

In the literature review the attention was focused on specific works related to the food supply chain and the food processing sector in Romania. Thus, the following documents were analysed:

- The Romanian food sector and the use of EU Funds for Investments - Department for Agriculture, Nature and Food Quality Embassy of the Kingdom of the Netherlands (2010);
- Assessments upon agri food processing sector: structure and evolution in the foreign trade, Institute of Agricultural Economics – Romanian Academy, Bucharest, MIRELA RUSALI (2014);
- Changes in the Romanian agri-food trade competitiveness in the post accession period - Camelia Gavrilescu, Dan-Marius Voicilaș (2014).

The above mentioned list has been preferred to the list provided in the methodological report, since it is exhaustive and adequate to answer the evaluation question.





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### ➤ Questionnaire based survey

A questionnaire survey has been launched to consult the beneficiaries.

The survey aimed to better know the preliminary effects done by NRDP in term of introduction of product innovation, process innovation, evolution of farm viability, modification of supply change, and other similar topic used to compare the answers of the beneficiaries that have applied on the different measures of NRDP and to answer to the EQ. The questionnaire was useful to better understand the link between the primary sector and the agri-food processing sector.

### ➤ Interviews

Interviews with key stakeholders were organized to better understand the situation in the mountain area.

The interviews with the representatives of the MA were useful to better understand the implementation progress of the submeasures, in particular of sM 4.2, and to identify the main bottlenecks (administrative obstacles, legislative bottlenecks, lack of interest etc.).

### ➤ Case studies

In order to answer to this EQ, were used the results deriving from two different case studies. The methodology of the case studies was used to verify whether the assumptions behind the submeasure investments hold true in terms of linkage between input, output and results and to what extent expected and unexpected effects have been obtained. The first case study was already used in EQ 1 (sM 4.1) to identify the secondary effects on FA 3A, and the other case study is related to submeasure 4.2.

### *Methodological limitations*

No specific methodological limitation was encountered.

### *Indicators considered and assimilated values*

The indicators used for answering the evaluation questions are: total public expenditures, total investments, number of actions/ operations benefiting from support, number of supported holdings / supported beneficiaries, number of holdings participating in supported systems, specific output indicator RO-OA 20 Operations in the mountain area benefiting from support for investment in the processing and marketing of agricultural products.

### *Answer to the evaluation question*

The NRDP sub-measures contribute positively to the processing of agri-food products and to the establishment of the food chain in the mountain area, but the number of projects is still too low.

A more integrated agri-food production chain represents a crucial factor for increasing the competitiveness of primary producers in Romania.



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The submeasures of NRDP contribute positively to the agri-food processing, and to establishing a food-chain, in the mountain area, but the number of the projects is still too low.

In the mountain area, the total number of beneficiaries of submeasure 4.1 is 132, representing about 11% of the total number of beneficiaries of the submeasure at national level (1.245). The incidence fall down to 5% considering the 23 beneficiaries located in mountain area of submeasure 4.1 with a secondary effect on FA 3A. At the same time, the number of beneficiaries of submeasure 4.2 is quite low – 8 beneficiaries in the mountain area. In contrast, a considerable number of projects were contracted in the mountain area under submeasure 16.4 (5 beneficiaries out of a total of 19 beneficiaries), and on submeasure 16.4a 33% of all the projects were contracted in the mountain area. Less relevant is the incidence in the mountain area of projects contracted under submeasure 4.2a.

In addition, the mountain area has a low level of implementation of submeasure 9.1, with a single project contracted in Covasna County (Establishment of the SC Ferma Cernat SRL producer group for the purpose of introducing the products on the market) out of the total of 8 projects contracted on the whole territory of the country.

Overall, farmers are reluctant to join associative forms as confirmed by the literature<sup>44</sup> (not only cooperative ones). It is also hard to convince single agri-food producers to co-finance the 50% of the investments but the context has recently changed. Considering the difficulties related to access to financial services in order to ensure the cofinancing necessary for the implementation of the projects, financial support instruments (grant credits and nongrant credits) have been introduced at NRDP level.

Moreover, with the revision of the Common Agricultural Policy through the Omnibus Regulation, with the 20% increase in the support rate for cooperatives investing in processing, it could be easier to find the necessary co-financing.

Furthermore, it is significant to highlight the positive beneficiaries' perception on NRDP contribution. As a matter of fact, according to the beneficiaries surveyed for the evaluation, the projects financed through NRDP 2014-2020 offered the opportunity to collaborate with other companies (79% of the beneficiaries of sM 4.1 and 60% of the beneficiaries of sM 4.2 included in the sample confirmed this aspect).

Encouraging signs for the future development of the supply chain come from the case studies especially from the case study on sM 4.1.

In Lemnia the establishment of the project idea, under the sM 4.1, is closely related to the slaughterhouse situated in the immediate surroundings, especially the partnership with the company Toro Impex SRL. The project has a positive impact in the field of innovation and through collaboration with the slaughterhouse, helps overall local development. It can be stated that in Lemnia the premises for a whole supply chain have been created for this kind of activity.

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<sup>44</sup> As mentioned in the literature analysis: Department for Agriculture, Nature and Food Quality Embassy of the Kingdom of the Netherlands (2010) THE ROMANIAN FOOD SECTOR and the Use of EU Funds for Investments.



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Different evidences come from the case study done on sM 4.2 where the main effects of the project are for the beneficiary (increase of sales at the company level, increase of the number of jobs, and expansion of the network of retailers and partners) but there is not a wider and intense effect on the local producers of the area of Brăduleț.

Finally, the NRDP has also contributed to innovation and increasing standard quality in the next future and offering a wider possibility to develop the agri-food sector<sup>45</sup>. In this regard, the survey based on questionnaire shows that the investments made facilitated the introduction of new technologies for all the beneficiaries of submeasure 4.2 and for 75% of the beneficiaries of submeasure 4.1; on the other hand, the introduction of new products was poor (53% of the beneficiaries of sM 4.1 included in the sample and 60% of the beneficiaries of submeasure 4.2 said they had introduced new products as a result of the investments made).

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<sup>45</sup> Camelia Gavrilesu, Dan-Marius Voicilaș (2014) Changes in the romanian agrifood trade competitiveness in the post accession period



## Evaluation question 6: To what extent have the NRDP interventions contributed to the improvement of the lives of people in the mountain areas?

### *Evaluation criteria*

The evaluation question focuses on the capacity of the programme to improve the standards of quality of living in mountain areas.

### *Analysed measures within NRDP*

For answering this evaluation question, the following submeasures were analysed: sM 4.3, sM 6.2, sM 6.4, sM 7.2 și sM 19.2.

Sub-measure 4.3. „Investments related to development, modernization or adaptation of agriculture and forestry infrastructure”

Sub-measure 6.2. „Business start-up aid for non-agricultural activities in rural areas”. The support contributes to the diversification of activities towards new non-agricultural activities within agricultural holdings, micro-enterprises and small enterprises and, implicitly, by creating jobs, obtaining alternative income for the rural population and decrease of dependency on the agricultural sector.

Sub-measure 6.4. „Support for investments in creation and development of non-agricultural activities”. The aim of the support granted under this measure is to foster the rural business environment, contributing to an increased number of non-agricultural activities carried-out in rural areas as well as to the development of the existing non-agricultural activities, job creation, increase in rural population income and mitigation of disparities between the rural and the urban areas.

Sub-measure 7.2 – “Investments in the creation and upgrade of small-scale infrastructure”. The support under this submeasure is related to: Creation, expansion and improvement of the local-interest roads network; Creation, expansion and improvement of the public water supply network; Creation, expansion and improvement of the public wastewater network; Investments in the creation, upgrade or expansion of the educational/care infrastructure.

Sub-measure 19.2 – “Support for implementation of operations under the community-led local development strategy”

### *Techniques / methods to answer the evaluation questions and drafting the conclusions*

In order to answer this evaluation question, the methodological approach involved the use of administrative data, questionnaire-based survey, interviews and case studies.

#### ➤ Administrative data

The administrative data on the main measures analysed were used to provide an answer to this evaluation question, ie sM 4.3, sM 6.2, sM 6.4, sM 7.2 and sM 19.2). Also, based on these data, an analysis of non-agricultural activities in the mountain area was carried out as well as an analysis of the jobs created by the projects implemented in the mountain area.



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### ➤ Questionnaire based survey

The questionnaire-based survey was applied at the level of all the 5 submeasures analysed in order to provide an answer to this evaluation question. In the survey was asked the opinion of public beneficiaries on the indirect effects of investment on new local market opportunities, while the private beneficiaries were asked about the preliminary effects of investment on farm viability, new market opportunity and other similar aspects.

### ➤ Interviews

Interviews were conducted with the representatives of the Managing Authority of the NRDP to investigate the details of the contribution of the analysed measures to the improvement of the living standards of the population in the mountain area.

The interviews were useful in order to better understand the implementation stage of the submeasures and the key aspects that influenced the implementation of submeasures (administrative obstacles, legislative barriers, lack of interest in accessing certain submeasures etc.)

### ➤ Case studies

In order to answer this evaluation question, a case study was carried out for a project implemented in the mountain area under submeasure 6.4, which included investments in craft activities.

The case study was designed to identify the success factors and factors that contributed to the achievement of the project's results, to capitalize on examples of good practice and to highlight the impact of the project on the rural area of mountain area.

### *Methodological limitations*

No specific methodological limitation was encountered.

### *Indicators considered and assimilated values*

The indicators analysed for answering the evaluation question are:

- Total public expenditures;
- Total investments;
- Number of actions/ operations benefiting from support for investments;
- Population benefiting from improved services / infrastructures;
- Population covered by LAGs;
- Number of selected LAGs;
- Number of LEADER projects receiving assistance;
- Number and type of project promoters;
- Number of jobs;
- Target indicator based on specific output indicators – RO-OA 23 Operations in the mountain area benefiting from investment support in the creation and upgrading of small scale basic infrastructure.



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*Answer to the evaluation question*

The preliminary effects of the NRDP submeasures analysed in the mountain areas can be considered positive on the improvement of the living standards even if the number of completed projects is very low. As noted in the focus group with the programme authorities and other key stakeholders, the measure 7 showed a high degree of access and increased interest from the beneficiaries (in particular communes TAUs), although the activities for its promotion did not have an extended character.

These measures have started to help increase local employment, reducing the abandonment of the mountain area.

This evidences came out also from the case study on the firm located in Suseni where the living standards in the rural area increased to a certain extent, through the employment of the company's staff (11 employees).

Submeasure 4.3 has helped to improve the accessibility and connectivity of small villages in the mountain area to neighbouring areas. In general, the investments made within the submeasures 4.3, 7.2 and 19.2 have reduced the gap between the mountain area and the other areas in terms of basic services development, improving the standard of living of the population.

For what concerns the Measure 7 (Basic services and village renewal in rural areas), the repartition of the investments done in mountain area is quite similar to the rest of the country. Therefore, the gap of the services seems to be similar both in mountain area and in the entire rural area of the country. From the interview with the Managing Authority is shown that Measure 7 does not have enough funds allocated by the programme compared to the specific needs for developing the basic infrastructure in rural areas.

On the other hand, for what concerns the different typologies of investment done within the submeasure 4.3, in mountain area, the analysis shows that the investments in forestry infrastructure cover more than 83% of total investments done in mountain area, while there is a total absence of investments in the water supply system for irrigations.

In the case of the private beneficiaries investing in non-agricultural activities, the bigger incidence of investments is concentrated in activities related to tourism while the other investments are considered less important. For these submeasures, the comparison with the total beneficiaries underlines a specific diversity of needs in mountain area.

Analysing the responses provided by the beneficiaries of sub-measures 4.3 and 7.2 within the survey, it is noted that the investments made resulted in a significant improvement in the living standards of the inhabitants. In addition, the effects observed by the beneficiaries are higher in the case of sM 7.2 (74% of the respondents) compared to sM 4.3.

At the same time, the analysis of the responses collected within the survey reveals that the public investments made through sM 4.3 and 7.2 offer new opportunities on the local market for local activities and contribute to the improvement of rural development.



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### Evaluation question 7: To what extent the NRDP interventions supported the preservation of cultural heritage of the mountain areas?

#### *Evaluation criteria*

The evaluation question is based on the following evaluation criterion: “The visibility and the interventions that have focused on the cultural heritage of the mountain area”.

#### *Analysed measures within NRDP*

To answer the evaluation question, the following submeasures have been considered: 6.2, 6.4<sup>46</sup> (only for handicraft and tourism activities and 7.6. The investments on cultural heritage of mountain areas are done directly with public resources using the sM 7.6 and indirectly with the private activities done within the sM 6.2 and 6.4, which aims to improve the non-agricultural activities in rural areas and tourism development.

The submeasures 6.2 and 6.4 have been described in the previous answers to the evaluation questions.

Submeasure 7.6 provides financial support for the protection of local-interest cultural heritage objects, including for monastic settlements. The support granted for the preservation of local heritage and traditions is aimed to foster rural tourism activities as well as to maintain the traditions and spiritual heritage, therefore contributing to the attractiveness of rural areas.

#### *Techniques / methods to answer the evaluation questions and drafting the conclusions*

The methods used for answering the evaluation question encompass the analysis of administrative data, literature review, questionnaire-based survey, interviews with programme authorities and other stakeholders.

##### ➤ Administrative data

The administrative data have been analysed to illustrate the progress of the submeasures 6.2, 6.4 and 7.6. The analysis of administrative data included both the completed and contracted projects until 31.12.2017.

##### ➤ Literature review

The literature review was carried out based on two specific papers that have analysed the cultural heritage and the cultural landscape and their correlation with the development of ecotourism, as well as on the guideline regarding the LEADER evaluation.

Thus, the following documents were analysed:

- LEADER / CLLD Evaluation Guide, August 2017;

<sup>46</sup> For this 2 submeasures, the analysis is mainly focused on craft and tourism activities



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- Developing ecotourism destinations in Romania: Case study published in the Magazine of Transilvania University of Brașov, A.N. CANDRE, A. HERȚANU (2015);
  - A Traditional Cultural Landscape in Transformation - Albert Reif, Evelyn Rușdea, Florin Păcurar, Ioan Rotar, Katja Brinkmann, Eckhard Auch, Augustin Goia and Josef Bühler.
- Questionnaire based survey

The survey aimed to define the first effects (evolution of the number of tourists, increase farm viability etc) of the investment related to cultural heritage.

The questionnaires included some specific questions regarding the cultural heritage and the accessibility of the supported areas.

- Interviews

The interviews with the representatives of the Managing Authority of the National Rural Development Programme 2014-2020 aimed to investigate the details of the contribution of the analysed measures to the preservation of the cultural heritage in the mountain area. During the interviews were also discussed aspects of the implementation stage of the programme.

### *Methodological limitations*

Since most of the contracted projects are not yet finalised, it is not possible to say to what extent the evolution of cultural activities are connected directly with the NRDP support. We can say that the provided funds have been directed where they can determine the best positive effects for local development.

### *Indicators considered and assimilated values*

The indicators considered in the analysis are: Total public expenditures, number of supported beneficiaries, number of LEADER projects receiving assistance, target indicator based of specific output indicators (RO-0A-24 Operations in mountain area benefiting from support for investments associated with the protection of cultural heritage).

### *Answer to the evaluation question*

NRDP investments supported by sM 7.6, 6.2 and 6.4 (investment typologies related to tourism and crafts activities) are of particular importance and contribute, even if preliminarily, to the development and preservation of cultural heritage.

In this phase some preliminary effects (increase of non-agricultural activity, enhanced tourist attraction) have been shown. Anyway, it is advisable to wait the completion of the projects to be able to make a comprehensive judgment.

The investments on cultural heritage of mountain areas are done directly through public resources using the sM 7.6 and indirectly through the private activity done within the sM 6.2 and 6.4 (typology



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of investments regarding touristic and handicraft activities), which aim to improve the non-agricultural activities in rural areas and tourism development.

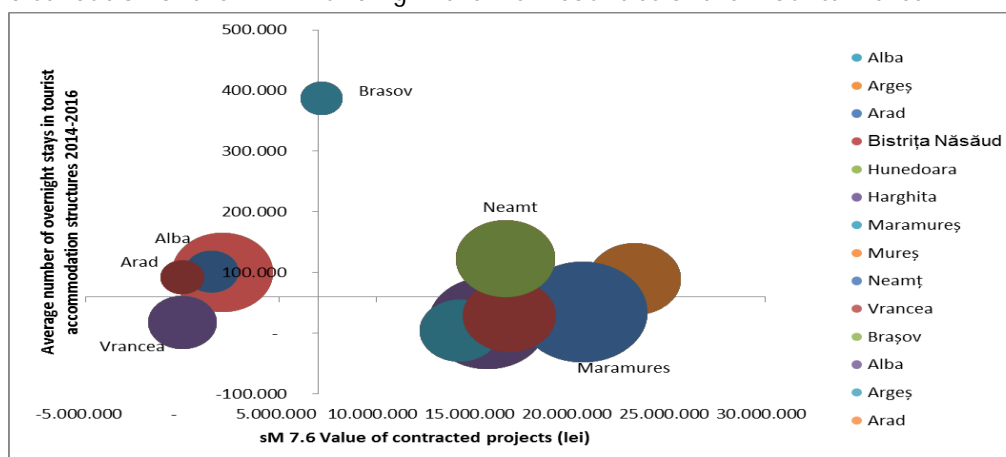
The submeasure 7.6 will provide financial support for the protection of cultural heritage objects of local-interest, including monastic settlements. As explained in the NRDP, the support granted for the preservation of local heritage and of traditions aim to foster rural tourism activities as well as to maintain the traditions and spiritual heritage, therefore contributing to the attractiveness of rural areas.

In order to evaluate the correlation between the beneficiaries of the grants of submeasure 7.6 and the touristic interests of different counties and in consequence how interventions are located in the main attractive areas from touristic point of view, two statistical variables have been related, shown in the below figure.

In the bubble chart the y-axis is the average value (absolute value) of overnight stays in tourist accommodation facilities (2014-2016), the x-axis is the amount of funds allocated to projects contracted within submeasure 7.6, and the extent of the bubble is the variation of tourist arrivals during the same reference period. In the graph has been used a sample of counties in order to illustrate the existing relations between variables.

There is a certain evidence that where tourist numbers have been increased (for example Maramures – Harghita, Neamt) is also where have been located more resources, while in other counties as for example Alba, Arad, Vrancea is the contrary (the number of tourists decreased and the funds attracted were lower). This aspect has been favoured by the selection criteria of submeasure 7.6, through which were supported those projects in areas with high tourist potential<sup>47</sup>.

**Figure no. 10** Submeasure 7.6. The correlation between the variation of the tourist presence and the distribution of the NRDP funding in the main counties of the mountain area



Source: Administrative data processed by the evaluation team

<sup>47</sup> Projects in areas with high tourist potential (verified on the basis of Government Emergency Ordinance No. 142/2008 on the approval of the National Territory Planning Plan, Section VIII Tourist Areas, Annex 1



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The results of the survey applied among the public beneficiaries of the sM7.6 highlight the following aspects regarding the accessibility: 67% of surveyed beneficiaries argue that interventions were located in areas with medium accessibility<sup>48</sup>, 23% in areas with high accessibility, and only 10% said they had less accessibility than the average.

Considering that the accessibility is one of the mainly factors of influence for the development of tourism, the concept has been further analysed considering the need to rejuvenate the international tourism. Thus, the surveyed beneficiaries were asked to approximate the distance between the project implementation location and the nearest international airport, which can be considered a proxy variable of international accessibility. The collected answers confirm the real possibility of tourism development. On average, the travel time is two and a half hours and can be considered a medium-low duration in relation to the types of motorways existing in Romania.

The aspect of the effects of intervention on tourism has also been studied. In line with the implementation phase of projects, 71% of beneficiaries revealed that the effects on tourism will be observed when projects will be at the end, 10% declared that the supported interventions already contributed to the growth of cultural heritage visibility and enhancing of tourist attraction. For the remaining 29% of beneficiaries, the investments had only direct effects on local population, without contributing to attract visitors.

67% of respondents believe that tourism development has already lead to positive effects for non-agricultural activities and 52% think that the effects are positive for the agricultural activities. The remaining part of beneficiaries consider that there are potential positive effects for the future. Negative opinions in this regard are limited, under 10%.

To sum up, for further confirmation on efficacy use of resources addressed to cultural heritage, the allocation of resources, aimed to promote non-agricultural activities in tourism, has been compared for various counties within sM 7.6 with sM 6.2 (investments in agro-tourism activities) and 6.4 (investments in infrastructure for agro-touristic accommodation units).<sup>49</sup>

The graph shows how, in many cases, the distribution of funding for public interventions at county level is similar to the distribution of funds for private interventions (Maramures - Mures). In some counties the difference is however, significant (Hunedoara-Suceava). This does not necessarily imply that the funds have not been used in a proper way, but it possibly means that in some situation the private activities are not totally supported by a proper breakdown of the public ones.

In the existing programming period for the 2 submeasure (6.2 and 6.4), there are no separate allocations for the mountain areas as there are no specific indicators associated with the mountain area and is also missing a correlation between private and public measures.

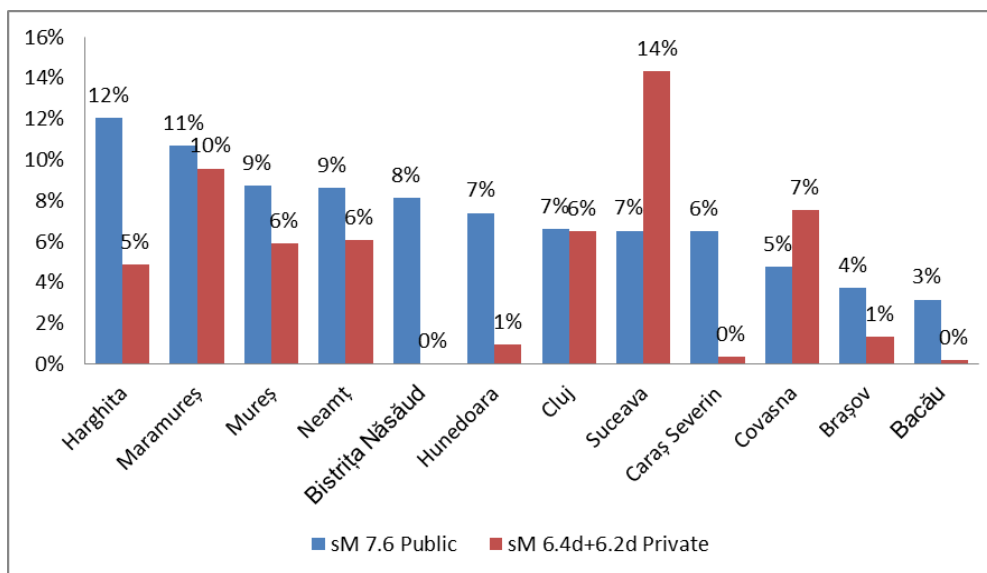
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<sup>48</sup> This was highlighted by the answer to question 6. Do you consider that the locality in which the project was implemented is isolated from the neighbouring city / cities (compared to other communes / villages located in the mountain area)?

<sup>49</sup> The comparative analysis at county level concerns only the investments in activities related to the protection of cultural heritage and tourism activities, not including investments in craft activities due to the low number of contracted projects, which would not allow the accomplishment of a relevant territorial distribution

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**Figure no. 11** Comparison between the funds contracted on sM7.6 for public interventions and the funds contracted on sM 6.2 (investments in agro-tourism activities) + 6.4 (investments in infrastructure for agro-touristic accommodation units) for private interventions, at county level



Source: Administrative data processed by the evaluation team



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### Evaluation question 8: To what extent have the NRDP interventions contributed to the sustainable management of the forests and to biodiversity conservation in the mountain area?

#### *Evaluation criteria*

The evaluation criterion considered for this evaluation question is "Sustainable forest management and biodiversity conservation".

#### *Analysed NRDP measures*

In order to formulate the answer to the evaluation questions, the following sub-measures have been considered: 8.1, 10.1, 11.1, 11.2, 15.1, 4.3.

For M10, packages P1, P2, P3, P6, P7 and P8 are those mainly contributing to the restoration, conservation and development of biodiversity, including in Natura 2000 areas, in areas facing high natural value agricultural constraints, as well as in the European landscapes areas.

The support under M11 will help preserve biodiversity over conventional agriculture. The main advantages of organic farming in terms of biodiversity are conferred by the non-use of chemical fertilizers, synthetic herbicides and pesticides, low stocking densities, the use of biological pest control methods (e.g. maintenance of hedges, marginal areas agricultural land and other uncultivated areas), the maintenance of more intense biological activity of the soil closer to the natural regime, the use of mixed crops and the mixed use of land.

By creating forest bodies and forest curtains based on the M08 measure, the conditions for the creation of transition areas conducive to the preservation and development of local biodiversity, supported mainly by existing forest bodies, for which support under the M15 measure contributes additionally to the objectives of conservation and development of biodiversity. In this way, the two measures (M08 and M15) contribute synergistically to the objective of sustainable forest management and the conservation and development of forest-specific biodiversity. New forest protection structures and new forest protection curtains will help to increase biological diversity by rehabilitating local habitats and ecosystems and creating transition areas conducive to the development of insect, bird and mammalian populations.

#### *Techniques/methods to answer the evaluation questions and formulate conclusions*

##### ➤ Administrative data

There have been used administrative data corresponding to sM 4.3, 10.1, 11.1, 11.2, 8.1 and 15.1 available until 31.12.2017. In the case of environmental and climate measures, respectively M10 and M11, a comparative analysis of the types of zones has been carried out taking into account the evolution of the number of beneficiaries and the areas by type of eligible areas (2015, 2016, 2017). Until the end of 2017 there were no projects contracted at the level of sub-measures 8.1 and 15.1.



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### ➤ Literature review

The following literature sources on forest management and biodiversity conservation were analysed for the literature review:

- National Strategy and Action Plan for Biodiversity Conservation 2013-2020
- Strategic Environmental Assessment, Environmental Report of NRDP 2014-2020
- A. F. Halalisan, M. Marinescu, B. Popa, I.V. Abrudan (2013): Certification of the custody chain in Romania: profile and perceptions of FSC certified companies, *International Forestry Review*, Vol. 15;
- S. Vanonckelen, A. Van Rompaey (2015): Spatio-temporal analysis of control factors on forest cover changes in the Romanian Carpathian Mountains, *Mountain Research and Development Review*

### ➤ Survey based on questionnaire

In what concerns the forestry sector and the sustainable management of forests, qualitative data were collected through the questionnaires applied to the beneficiaries of sM 4.3 - the forest infrastructure component. Additionally to the aspects foreseen in the methodology, the evaluation team considered it appropriate to analyse the responses to the questionnaires addressed to public beneficiaries under sM 7.2 and 7.6 and to the questionnaires addressed to beneficiaries with agricultural projects, which included questions on the quality of the natural environment and the maintenance of biodiversity.

### ➤ Interviews

In order to substantiate the answer to the evaluation question 8, interviews were conducted with the following key stakeholders: PAIA (M10, M11, sM8.1, s15.1), Managing Authority of NRDP – Service of environmental measures (M10, M11, sM8.1, sM 15.1), Ministry of Waters and Forests (MWF), General Directorate of Forests.

The interviews were useful in order to better understand the implementation stage of the sub-measures and the key aspects that influenced the implementation (administrative obstacles, legislative barriers, lack of interest in accessing certain sub-measures, etc.)

### *Methodological limitations*

No data were available for sM15.1 and 8.1 (there are no implemented projects).

### *Considered indicators and assimilated values*

The main indicators used in the analysis are: total public expenditure, number of supported beneficiaries, total surface (ha), physical surface supported (ha), number of supported contacts.

### *Answer to the evaluation question*

NRDP has directly contributed to maintaining the biodiversity of agricultural land in the mountain area through M10 and 11. The contribution of sM 8.1 and 15.1 to sustainable forest management can not be yet assessed given the delays experienced in the implementation of the two sub-measures.



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The status of biodiversity conservation in the Romanian mountain area is relatively good, as demonstrated by recent studies. The link between agriculture and biodiversity conservation is an important pillar of the National Strategy and Action Plan for Biodiversity Conservation 2013-2020. Forest management are included as well in the Strategy. Deforestation was only observed in areas of local interest. Accessible places with adequate road systems were preferentially logged, while a gradual greening occurred in more remote locations due to land abandonment.

The number of CoC certified companies has increased rapidly in recent years in Romania. Nevertheless one of most relevant impediment for FSC certification is the lack of certified raw material (forest areas) on the local market.

NRDP addresses the issues of sustainable management and biodiversity conservation in different ways. On agricultural land, the main tools put in place by NRDP are the environmental commitments financed with M10 and the organic farming financed with M11.

Land under commitments has greatly increased in recent years in mountain area. Nevertheless, not all the packages for biodiversity protection are equally implemented. In mountain area, only packages P1 and P3 of M10.1 are implemented, and P3 into a very small extent. Other packages important for biodiversity (P2, P6, P7 and P8) are not addressed at all.

Land under organic farming in 2017 has incremented in mountain area, but less that in the whole Romania. Most of the contributions were devoted to sM 11.2 for the maintenance of organic farming.

Out of the analysis of the administrative data and the answers to interviews, the evaluators noted a series of difficulties in the implementation of sM 8.1. Some of these difficulties are related to administrative procedure (such as the significant number of authorizations required for the project approval, the technical material required and so on). However, improvements have been made by competent authorities, for example with the optimization of the authoritative procedures, being maintained at the same time a high quality standard for the projects.

The sustainability of sM8.1 is linked to the maintenance of forest after plantation: according to the measure fiche this is currently limited to 12 years, after which vegetation could be used for other purposes, including cut. This is also due to the fact that the land on which the afforestation is carried out is agricultural land and does not fall under the Forest Code because it is not included in the forestry fund.

From the analysis of the responses to questionnaires it was found that some NRDP measures, even if not directly addressed to biodiversity conservation (especially sM 6.1 and 6.3), could contribute to the maintenance of a high-quality natural environment. Moreover, it has been observed that a good quality natural environment (with a good conservation status of biodiversity) is an added value for the activity of the mountain area beneficiaries.



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Evaluation question 9: To what extent have the NRDP interventions supported the investments in the mountain area in terms of investment typology, size and sector?

### *Evaluation criteria*

The answer to the evaluation question is formulated by describing the typology of investments made in mountain areas, the economic size of the holdings and the sector of activity.

An analysis on the relevance of the selection criteria is given in Annex 1.1.

### *Analysed NRDP measures*

As highlighted in the methodological report of the study, the following submeasures and measures have been considered: 4.1, 4.1.a, 4.2, 4.2.a, 4.3, 6.4, 7.2, 7.6, 16.4, 16.4.a.

### *Techniques/methods to answer the evaluation questions and formulate conclusions*

#### ➤ Administrative data

The analysis of administrative data has been useful to describe the following aspects:

- ✓ Economic size of the holding: sM 4.1, sM6.4, sM 4.1a
- ✓ Investment typology: sM 4.1, sM 4.3, sM 7.2, sM 7.6, sM 4.1a, sM 4.2, sM 6.4
- ✓ Sector of activity: sM 4.1, sM 4.2, sM6.4
- ✓ Relevance of selection criteria

#### ➤ Literature review

The following documentary sources were analysed for the literature review:

- *National Strategic Guidelines for the Sustainable Development of Less Favored Mountain Areas (2014-2020)*<sup>50</sup>
- *Evaluation study I – AIR 2016*<sup>51</sup>

### *Methodological limitations*

The size of agricultural holdings has been assessed using the average agricultural surface at submeasure level, due to the unavailability of data on the specific standard output of each beneficiary and economic viability of exploitations.

### *Considered indicators and assimilated values*

The main indicators included in the analysis are: total public expenditure, total investment, number of projects receiving LEADER assistance, number of beneficiaries.

<sup>50</sup> Orientări strategice naționale pentru dezvoltarea durabilă a zonei montane defavorizate (2014-2020)  
<http://www.madr.ro/orientari-strategice-nationale-pentru-dezvoltarea-durabila-a-zonei-montane-defavorizate-2014-2020.html>

<sup>51</sup> <http://www.madr.ro/docs/dezvoltare-rurala/2017/Studiul-de-evaluare-I-RAI-2016.pdf>



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*Answer to the evaluation question*

Overall, in terms of type and sector of the investment and size of the beneficiaries, NRDP interventions have contributed to the (i) development of small farms which are mainly concentrated on the management of the primary resources and less specialised on processing or commercialization of products; (ii) restoration and modernization of the cultural and natural heritage of villages, rural landscapes and sites of high natural value.

## The economic size of holdings

The relation between the investments and the economic dimension of holdings has been analysed. Thus, farms located in mountain areas were compared with those at national level. A similar comparison was also made between the beneficiaries of agricultural activities - sM 4.1 and the beneficiaries carrying out non-agricultural activities - sM 6.4.

There have not been analysed sM 4.2 and 4.2a, because there was a relatively small number of projects contracted under this sub-measure (respectively 8 and 1), nor sM 4.3, 7.2 and 7.6 as it concerns the field of public investment.

Excessive aggregation's width in classes given by monitoring data on the economic size of holdings - based on standard output doesn't allow to understand the differences of the 130 agricultural farms which benefit of measure 4.1 in mountain areas, most holdings being in the medium size category (12,000 - 250,000 SO).

It is noted that for sM4.1 there is the selection criterion (SC1) on the economic size of the holding which shows a bigger incidence of value 15, in mountain area (48%), compared with non-mountain areas (29%). At the same time, value 11 has an incidence of 17% for the contracted projects in the mountain area and a double incidence in non-mountain areas (34%).

In the case of sM 6.4 the breakdown on the base of economic size and typology of the firm has not revealed substantial differences between mountain and non-mountain areas. In both situations, the share of different types of enterprises (micro / medium) is higher than that of farmers, which covers only about 20% of the beneficiaries

The best criteria to understand dimensional differences between farms in mountain areas and the ones at national level is the breakdown of beneficiaries with the extension of agricultural surface.

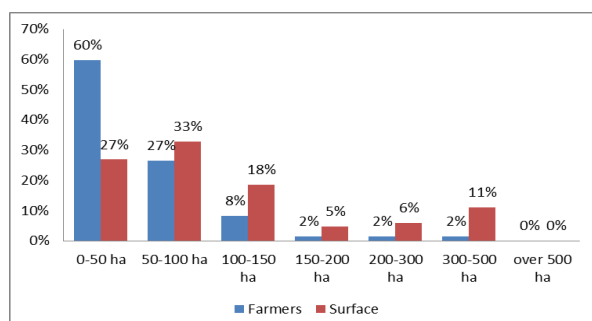
This comparison underlines how the 60% of beneficiaries of mountain areas run farms inferior to 50ha, while the value lowers to the 23% in all the country. At the same time resources given to farm with less than 50ha are the 27% of the total surface in mountain areas and only 3% in Romania.

On the other side, only 2% of mountain farmers, that submitted financing applications and signed financing contracts under sM 4.1, have an agricultural surface between 300 and 550 ha, covering 11% of the total contracted resources, while in Romania the share of beneficiaries in this category is 12% and covers 28% of the total national funding.

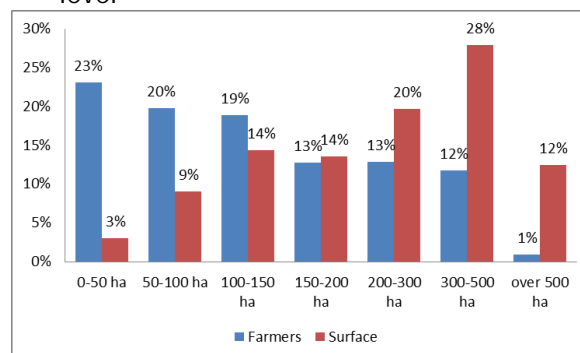


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**Figure no. 12** sM 4.1 Distribution of beneficiaries according to the area covered by agricultural holdings (ha) in the mountain area



**Figure no. 13** sM 4.1 Distribution of beneficiaries according to the area covered by agricultural holdings (ha) at national level



Source: Administrative data processed by the evaluation team

### Investment Typologies

Submeasure 4.1 offers a wide range of investment typologies<sup>52</sup> from investments in the establishment, extension and / or upgrading of livestock farms to investments in setting up / replacing plantations for table grapes and other perennial crops. At national level, it was noted a large concentration of projects with investments in the establishment, extension and / or upgrading of plant farms, including storage, conditioning, sorting, packing of vegetable production to increase the added value of products, while, in the mountain area, the preeminent type of investment is setting up, expanding and / or modernizing livestock farms.

The analysis of the type of investments made through sM 4.1 highlights the fact that the majority of the investments made focus on the construction of infrastructure at the expense of the purchase of machinery or technical equipment, showing the development needs of the mountain areas.

For what concerns sM 4.2, seven of the total of eight contracted projects relate to the typology of investment in setting up, expanding and / or modernizing livestock farms, including efficient pollution reduction and compliance with Union standards and landfill / waste management and one project is

<sup>52</sup> a Investments in the setting-up, expansion and / or modernization of livestock farms, including efficient pollution abatement technologies and compliance with European Union standards and storage / manure management;

b Investments in the establishment, extension and / or upgrading of plant farms, including storage, conditioning, sorting, packing of plant production to increase the added value of products;

c Investments to meet Community standards for young farmers in accordance with Art. 17 (5) of Reg. 1305/2013;

d Establishment and / or upgrading of farm access ways including utilities and connections;

e Investments in farm processing at farm level as well as investments for marketing;

f Investments in the establishment / replacement of plantations for table grapes and other perennial crops

4.1g Investments related to the establishment, extension and / or modernization of farms other than those referred to in points a-f

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related to investments in the establishment, extension and / or upgrading of plant farms, including storage, conditioning, sorting, packing of plant production to increase the added value of the products. In the case of sM 4.3, investments are concentrated on the creation and upgrading of forest roads, to the detriment of agricultural roads. There are no projects to support water infrastructure planning / maintenance, projects that account for 35% of the total contracted financing resources at national level.

In the case of sM6.4, 77% of non-agricultural activities concern investments for infrastructure in agro-tourist tourist accommodation units, projects of agreement activities (156 beneficiaries out of the total of 202), 14% are investments related to the provision of services, 7% investment in the production and marketing of non-agricultural products, and 3 projects concerned investments for craft activities (1% of the total).

For what concerns measure 7 - Basic services and village renewal in rural areas - the distribution of the investments done in mountain area is quite similar to the rest of the country.

In the mountain areas, the investments made under sub-measure 7.2 are divided as follows:

- more than 50%, in the creation and improvement of the public water supply network,
- about 30%, in the creation and upgrade of kindergartens and nurseries,
- while the investments in creation, upgrade or expansion or the other investments in educational infrastructure have involved a minor contribution in mountain areas (9%).

Financial supports to medical and social services have been totally residual in spite of their fundamental social relevance. In what concerns sM 7.6 - Protecting cultural heritage, more than 86% of the total amount of the investment is related to restoration, preservation and endowment of buildings/monuments included in the local-interest cultural intangible heritage, while the other is allocated to the restoration of monastic settlements.

#### Sector of activity

The breakdown of investments in mountain area shows that food processing sector, zootechnic sector (both for meat and for milk) cover a very significant share of the market compared with the production of plant products (cereals). However, farms with smaller dimension have a higher diversification of production.

**Table no. 4** sM 4.1 Breakdown of beneficiaries by sector of activity

	Mountain area		Romania	
	0-50 ha	Total	0-50 ha	Total
Bees	4%	2%	1%	0%
Breeding cattle for meat	11%	11%	8%	3%
Breeding cattle for milk	27%	23%	12%	4%
Breeding sheep and goats	0%	0%	1%	0%
Field crops	33%	42%	40%	80%
Horticulture	8%	5%	14%	3%
Mixed - mixed animals	0%	1%	0%	0%
Mixed - mixed crops	3%	3%	2%	2%



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	Mountain area		Romania	
	0-50 ha	Total	0-50 ha	Total
Mixed crops and animals except bees	11%	12%	7%	3%
Poultry	3%	2%	7%	2%
Swine	1%	1%	6%	2%
Total	100%	100%	100%	100%

Source: Administrative data processed by the evaluation team

To conclude in the annex 1.8 there is a graph that show a bigger relevance of the milk sector in mountain area in the contracted projects of submeasure 4.2. compared with non-mountain area.



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Evaluation question 10: To what extent the implementation framework developed through NRDP in order to support the mountain areas has best responded to the needs of the area?

### *Evaluation criteria*

The adequacy level of the implementation framework.

This evaluation criterion has been broken down into three other sub-criteria that cover the themes dealt with in order to formulate the answer to the evaluation question 10:

- Relevance of the NRDP strategy in coping with mountain areas needs and its coherence with other initiatives spreading their effects in the same areas;
- Effectiveness of delivery mechanisms developed by the programme to tackle mountain areas specific needs;
- Capacity of the NRDP to promote social inclusion and contribute to local development.

### *Analysed NRDP measures*

This evaluation question refers to the whole implementation framework set by the programme to face mountain areas needs, therefore the following answer takes into account all sub-measures analysed in the scope of Study IV – Mountain area.

### *Techniques/methods to answer the evaluation questions and formulate conclusions*

The main methods used to formulate the answer to the evaluation question are: administrative data, literature review, interviews, questionnaire surveys, focus group, case studies and quantitative methods.

- Administrative data

Overview of date administrative/monitoring data has been used to describe the advancement of NRDP in mountain areas and which have been considered also to respond to other evaluation questions (EQs 1-9).

For measures 10, 11 and 13 a comparative analysis was made by type of area, taking into account the evolution of the number of beneficiaries and the area of commitments signed by types of eligible areas (2015, 2016, 2017). In particular, since this EQ focuses on implementation mechanisms, the analysis of M10, M11 and M13 has focused on the implementation framework.

### Literature review

The literary review enabled the evaluation team to contextualize the analysis carried out, having in mind the objectives pursued by the NRDP and by the other main policies addressing mountain areas conditions, at both national and European level, as well as to detect the specific needs of mountain areas communities. The documentary sources used are: Romania's Rural Development Strategy 2014-2020, National Strategic Guidelines for the Sustainable Development of Disadvantaged Mountain Area 2014-2020, Comparative Study of European Strategies for Mountain Areas, with special reference to



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the Romanian Carpathians, Study on establishing the potential socio-economic development of rural areas - a supporting document based on which it was drafted the NRDP Programming Document 2014-2020, the LEADER CLLD Evaluation Guide (version of August 2017). In particular, Romania's Rural Development Strategy 2014-2020 and the LEADER CLLD Evaluation Guide were the reference points for preparing the methodological approach to analyse the programme and local development strategies' implementation framework.

### ➤ Interviews

Interviews with representative of the MA, paying agencies (AFRI and PAIA) and relevant stakeholders, such as the Mountain Area Agency and the Romanian Association of Communes, enabled the evaluation team to collect qualitative information on the implementation of NRDP in mountain areas, from the programming phase to the actual monitoring of financed operations, with particular attention to the specific needs and possible bottlenecks met by both managing authorities and beneficiaries in the analysed areas;

### ➤ Survey based on questionnaire.

The response to this evaluation question is based also on the main findings of the questionnaires on agricultural activities addressed to both public and private beneficiaries so as to gain an overall description of the programme implementation. Since this evaluation question aims to analyse the efficacy of the implementation framework set by the NRDP to cope with mountain areas' needs, a particular attention was paid to the answers given by private beneficiaries with agricultural activities, which enabled to collect information on projects' outputs and achieved results, and on the one addressed to LAGs, that analyses LDSs specific objectives and LAGs possible needs/difficulties in the LDSs implementation, since their questionnaires contained specific questions on the possible bottlenecks encountered during the application phase and the following project implementation. Preliminary findings of these questionnaires were used as hints for discussion during the focus group;

### ➤ Case studies

Case studies, involving beneficiaries of submeasures 4.1, 4.2, 6.1, 6.3 and 6.4, gave evidence on both projects results and administrative burdens met during project submission and the following implementation from the beneficiaries' point of view. The preliminary findings of case studies were used as hints for discussion during the focus group;

### ➤ Focus group

The focus group, carried out through the Metaplan technique, had the specific objective to give response to EQ10, through the involvement of subjects directly involved in the implementation of the NRDP and relevant stakeholders.

Participants were asked to give inputs on how the programme has improved (or can improve) living standards of mountain communities by enhancing local economy (diversification and new market opportunities), increasing employment, improving social services/infrastructures as well as protecting the natural and cultural heritage. It also took into consideration the efficacy of the implemented



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strategy (including its coherence and linkages with the National Strategy for mountain areas along with other EU funded initiatives), the typologies of interventions supported as well as promoted public-private partnerships. All in all, the focus group enabled the evaluation team to collect motivated comments on the results achieved by the NRDP in mountain areas so far along with hints for possible improvements

### ➤ Quantitative methods

Additional source of information is represented by statistical data at NIS level, which were used to describe mountain areas characteristics and evolution of needs.

### *Methodological limitations*

The response to this evaluation question is based on the analysis of a mix of information sources, both quantitative (administrative data) and qualitative (interviews, survey, case studies and focus group). Possible limits of a single method or tool was balanced with the recourse to the other sources.

### *Considered indicators and assimilated values*

No specific indicator was analysed to give answer to EQ 10.

### *Answer to the evaluation question*

Overall, PNDR interventions have contributed with an adequate implementation framework to address the development needs of mountain areas. As a matter of fact, the interventions are:

- Are relevant and coherent with other initiatives,
- Show effective delivery mechanisms, even if the assessment is preliminary due to the status of the implementation;
- Have the potential to promote social inclusion and local development in particular through LAGs.

### 1. Relevance

As highlighted in programming documents and confirmed by evaluation analysis, there are context specific features such as the phenomenon of abandonment, especially by young people, mainly due to the lack of job opportunities notwithstanding the diversity of mountain areas, both from the perspective of the geographical area and natural conditions favourable to tourism activities, as well as in terms of cultural resources and heritage. This evidence is confirmed by statistical data from the NIS showing that population in mountain areas (including their cities) have experienced a decrease of 3,27%, between 2009 and 2017, which is a high rate compared to population dynamics in other rural areas (-0,54%) and in the whole country (-1,38). In particular, mountain cities have registered a decrease in their population of 2,38%.

Another aspect is the absence of specific and updated policies addressed to mountain areas, which has been tackled, in 2014, by the Mountain Areas Agency and the implementation of the National Strategic Guidelines for the Sustainable Development of Less Favoured Mountain Areas (in addition to the existing NRDP and other national and EU funded initiatives). Nonetheless, existing policies are still perceived as inadequate to face mountain areas needs, starting with the lack of programming tools



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able to detect which areas can be rightly defined as mountain areas. As a matter of fact, the delimitation of the mountain area is not unitary, being defined in three different ways at the level of the NRDP, the Carpathian Convention and Order no. 321/2004. Moreover, the delimitation of mountain areas is done at TAU rather than at farm level, so that although some localities (villages) or farms in the country are at high altitudes (similar to mountain areas) they are not eligible for support through the NRDP due to the fact that the average altitude of the TAU (commune, city, municipality) to which that locality / farm belongs does not meet the criteria set out in the measure sheet for the mountain area. These elements lead to the existence and deepening of a cleavage between localities / farms located on hills or plains and the ones located in the mountain areas.

In addition, there are still structural issues negatively affecting the local economy, such as the fragmentation of agricultural lands and the difficulty in accessing them by potential beneficiaries. Especially old landowners are reluctant to renew their farms (or sell them to younger farmers), undermining, in doing so, the introduction of innovation and the competitiveness of the mountain agricultural sector. This situation is worsened by the lack of land registration data in the cadastre, which is common to the whole country and makes it difficult the transfer of land to young generations. Other weaknesses are represented by the lack of infrastructures, which leads to high costs of transports, and of social services along with a system of accommodation units for tourist purposes. During the focus group, it was also stressed the lack of professional schools, which are necessary to grow specific competences for productive activities. Among other factors, it has to be added that existing farms are poorly equipped and mechanised, that agricultural products prices are not competitive and that farmers are still reluctant in organizing themselves in associations to create networks and promote supply chains.

As far as the implementation of the NDRP is concerned, some measures have a specific budget allocated exclusively to mountain areas such as sM 4.1, 4.2, 6.1, 6.3, 7.2, 7.6. The comparison of the contracting capacity relating these sub-measures, considering the corresponding allocated budget in mountain areas and in other areas shows some interesting differences (see section 7 of the report for further details). In sM 4.1 and 4.2, the contracted budget in mountain areas is lower, while in 6.1 and 7.2 is similar, and in 6.3 and 7.6 is higher than in non-mountain areas. This seems to reflect a general reluctance of the private sector in mountain areas to invest in agricultural holdings and processing, commercialisation and development of agricultural products, and a high interest in the development of small farms and maintenance, restoration and modernization of the cultural and natural heritage of villages, rural landscapes and sites of high natural value.

For instance, although M07 (Basic services and village renewal in rural areas) did not benefit from extensive promotional activities, it showed a high accessing degree and increased interest from beneficiaries (especially from the TAU communes). At the same time, sM 6.1 (Support for the setting up of young farmers), sM 6.2 (Support for the establishment of non-agricultural activities in rural areas) and sM 6.4 (Investments in the creation and development of non-agricultural activities) showed a high attractiveness degree from beneficiaries. Despite the lower contracting capacity than in non-mountain areas, sM 4.2 has registered a 20% increase in investments for cooperatives, enhancing collaboration among farmers.



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These evidences are confirmed also by other field analysis (case studies and survey based on questionnaires) that highlighted how NRDP financing gave involved farmers the possibility to introduce new technologies, to modify cultivation/breeding practices and contribute to maintaining a good quality environment.

Nonetheless, as highlighted in Section VII of this Study (see chapter 7.5 Key findings on the relevance of selection criteria through a comparative analysis between the mountain and non-mountain area), promoting the association of farmers and the integration of food chains in mountain areas remains a challenge for the NRDP. These objectives should, therefore, be taken into consideration during the selection process by adopting specific criteria aimed to valorise cooperation and the creation of supply chains.

Moreover, the NRDP addresses the issues of sustainable management and biodiversity conservation in different ways. The NRDP has contributed to biodiversity in agricultural land having incremented the surface under environmental commitments (M10) and under organic farming (M11). On agricultural land, the main tools put in place by NRDP are the environmental commitments financed with M10 and the organic farming financed with M11. As shown by administrative data, land under commitments is greatly increased in recent years in mountain area even if not all the packages for biodiversity protection are equally implemented. In mountain area, only packages P1 and P3 of M10.1 are implemented, and P3 with for a very low share. Other packages important for biodiversity (P2, P6, P7 and P8) are not addressed at all (see the response to EQ n. 8 for more details).

On the other hand, M13 (Payments to areas facing natural or other specific constraints) compensates the disadvantages faced by farmers when carrying out the agricultural activities, such as low production capacity of agricultural lands and additional costs incurred for the maintenance of agricultural activities in these areas, so as to decrease the risk of agricultural activities abandonment (which in mountain areas is higher than in the rest of country). Notwithstanding its potentials, administrative data show that beneficiaries benefitting from this measure have decreased between 2015 and 2017 (-3,8%).

Another vehicle for fostering the improvement of mountain areas conditions is represented by the Local Development Strategies (LDSs) under M19 - LEADER implemented by LAGs, which were jointly selected by the MA and the Mountain Areas Agency, taking into consideration both the NRDP and National Strategic Guidelines for Sustainable Development of Less-favoured Mountain Area (2014-2020). For the selection of LDSs, it was adopted a specific check-list aimed to assess LDSs coherence with the National Guidelines and verify if the proposed LDSs included actions to: increasing the economic competitiveness; increasing the attractiveness of the less-favoured mountain area and stabilization of the mountain population; improving the quality of environmental factors and preserving the biodiversity; preserving and capitalizing cultural heritage. As long as the financed LDSs are concerned, LAGs participating in the survey declared that their LDSs aim to enhance the quality of life and attractiveness (92%), to increase the competitiveness at local level (88%) and to foster innovation (84%).

As highlighted during the focus group, LDSs are “flexible instruments”, since they are given the opportunity to be updated according to the emerging mountain areas new needs. This is expected to





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widen the number of beneficiaries by improving communication on NRDP funding opportunities, at local level, and promoting newly created public-private partnerships.

## 2. Effectiveness of delivery mechanisms

The evaluation analysis on NRDP effectiveness in mountain areas (see chapter 7, subchapter 7.3 "Programme effectiveness") shows a non-homogeneous programme performance, since some indicators (especially those relating to sM 6.1, 7.2) are more likely to achieve the final targets than others (i.e sM 4.2). This may be due to a variety of reasons, such as: high degree of land fragmentation; legislation/administrative framework and burdens (i.e. difficulties in meeting sanitary, environmental, or public health conditions); lack of interest by potential beneficiaries in submitting projects under certain measures; lack of information on NRDP funding opportunities.

As for M10 and M11 one of the main bottlenecks is represented by the requirement to prove the competencies for the specific fields subject to the commitments. According to the fiches of measures 10 and 11, there is the obligation that until the end of the commitments, the beneficiaries should participate in a training course for gaining specific competences regarding the agri-environment and climate conditions and to provide an evidence in this respect, otherwise they will be sanctioned according to the sanctions system approved by MARD Order. The sanction can also be the refund of the payments received through the annual payments (see also the response to EQ n. 8 for more details).

Beneficiaries interviewed in the framework of case studies have pointed out the excessive bureaucracy, especially for obtaining permits, as the main bottleneck in starting project activities. On the other hand, they did not encounter any particular problem in dealing with programme administrative procedures. Indeed, most of them have employed consultants to submit application documents and to manage payment requests, contributing to reach projects' expected results.

In this context, LAGs can play an important role in improving programme effectiveness by ensuring consultancy services to improve projects implementation and beneficiaries' skills. As a matter of fact, a recent negotiation between the MA and DG AGRI has led to the opportunity to promote consultancies (under art. 15 of Reg. EU 1305/2013) in the framework of M19 – LEADER. By applying this article to LDS it is aimed to encourage association, promote the benefits of joining associative forms, provide support for association set up, develop marketing and management plans, etc.

As for the proper management and implementation of under M19, the MA, in collaboration with AFRI, has published a manual<sup>53</sup> and specific guidelines<sup>54</sup> addressed to LAGs to support them in the selection, monitoring and evaluation of projects under LDSs. LAGs in mountain areas participating to the survey find these tools very useful (32% of respondents) or useful (48%) and clear (44%). Nonetheless, there are still some aspects that need to be clarified. Moreover, LAGs have stressed that the main difficulties in implementing the LDSs are represented by the tasks of assessing project proposals (64% stated it is

<sup>53</sup> Annex to the MADR Order no. 582/2017 "Operational Procedures Manual for Coordination, Verification and Monitoring of the Implementation of Local Development Strategies", 2nd Edition, Revision 0

<sup>54</sup> Annex to Order no. 415 of 22/12/2017 "Guide to Local Action Groups for Implementing Local Development Strategies", Version 02



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difficult), verifying the payment requests submitted by beneficiaries (60%) and drawing calls for proposals (56%).

As far as communication is concerned, during the focus group, participants have stressed the difficulty in reaching potential beneficiaries in mountain areas, but this trend is gradually improving thanks to the promotion of more tailored communication activities. This was made possible also through the efficient institutional collaboration between the National Rural Network and the Mountain Areas Agency, that have intensified communication initiatives on the financing opportunities offered by the NRDP (through flyers, posters, leaflets, meetings, events etc.), resulting in a greater interest manifested by potential beneficiaries towards the Programme and, in particular, for some measures (i.e. M10 and M11) which were better promoted, and in an increase of the number of members of the NRDN from mountain areas, fact that will eventually strengthen networking at local level.

### 3. Capacity of the NRDP to promote social inclusion and contribute to local development

One of the priorities of the NRDP is to promote social inclusion, that is creating new jobs opportunities and improving skills, especially for youngsters, women and minorities/vulnerable groups, also through local development, aimed to valorise local resources and potentials using a bottom-up and inclusive approach (M19 – LEADER).

In general, the NRDP is contributing to increasing job opportunities in mountain areas for young people and women. As already stated previously in this Study<sup>55</sup>, the incidence of young farmers on the total number of farmers is higher compared to other European countries. Especially sM 6.1 gives the possibility to young people to gain new jobs regardless their education level. Monitoring data show a similar trend of young applicants, while, in some sub-measures (i.e. SM 6.3), there is higher incidence of women applicants for farm of small dimensions.

Out of the analysis related to the number of new jobs created under the projects implemented in the mountain area, financed by sM 4.2, 4.2a, 6.2, 6.4 and LEADER, the following conclusions were extracted:

- the distribution of jobs created under contracted projects is gender - balanced (49% women and 51% men); but considering jobs actually created under the projects completed by the end of 2017, only 28% of them were addressed to women;
- by the end of 2017, only 3,26% of the contracted projects will generate new jobs in the mountain area, generating 4,01% of the total number of jobs planned under the contracted projects;
- each project implemented in the mountain area will create an average of 1,13 jobs, while projects completed by December 2017, will create an average of 1,39 jobs per project.

<sup>55</sup> For information on the creation of new jobs per age and gender, see also Evaluation Questions n. 2 "To what extent did NRDP interventions have contributed to the development of small farms in the mountain area through structural transformation and market opening of small farms as well as increased capacity to identify new opportunities for capitalizing on production?" and n. 3 "To what extent have NRDP interventions contributed to the maintenance and installation of young farmers in the mountain area?"



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A great impulse to social inclusion and local development is expected to come from the implementation of the LEADER approach, which is highly complementary with the Human Capital Operational Programme aiming to foster employment, education and the fight against poverty. A lot will depend on the LAGs capacity to valorise social capital and local resources, through the joint effort of their components, which, in mountain areas, are represented by private companies (46%), local institutions (22%) and NGOs (20%).

LAGs participating in the survey, stated that LDSs are contributing to promote employment, notwithstanding the degree of implementation, which is still low. In this framework, the number of newly created jobs, between 2017 and 2018, varies from 2 to 36.

Moreover, as pointed out during the focus group, some financed LDSs foresee specific lines of activity fostering social inclusion, which is duly valorised through selection criteria (i.e. high scores to projects specifically foreseeing the involvement of vulnerable groups). This will help to select the projects better addressing social inclusion.



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Evaluation question 11: To what extent have the NRDP interventions contributed to the stoppage of abandonment of agricultural land in the mountain area?

#### Evaluation criteria

The answer to the evaluation question was formulated based on the following evaluation criterion: "Stopping the abandonment of agricultural land"

#### Analysed NRDP measures

The submeasures relevant for providing the answer to this evaluation question are: 4.1, 4.1a, 6.1, 6.3, 13.

#### Techniques/methods to answer the evaluation questions and formulate conclusions

##### ➤ Administrative data

The analysis of administrative data has been useful to describe the implementation of submeasures targeted by this evaluation question. Considering the implementation level, sMs 4.1, 6.1, and especially 13 showed a high level of attractiveness from the applicants' perspective. In the case of submeasure 4.1, the funds have been consumed since the middle of 2017, and in the case of submeasure 6.1 a large number of applicants has been registered. M13 stands out by a significant number of beneficiaries located in the mountain. The analysis of administrative data has been also useful in the case of M13 to capture the evolution of surfaces and number of beneficiaries during 2015-2017, on each area targeted by the intervention.

##### ➤ Literature review

Compared with the study methodology, the original proposed reference has been replaced by a more recent documentary source. Thus, literature review comprised the analysis of *The abandonment of traditional agricultural landscape in Slovakia – Analysis of extent and driving forces*<sup>56</sup>.

##### ➤ Survey based on questionnaire

In order to substantiate the answer to the evaluation question, a survey was conducted among the beneficiaries of sM 4.1, 4.1a, 6.1, 6.3. The main purpose of the questionnaire was to collect qualitative information on the evolution of agricultural land and pastures following the support provided through the NRDP 2014-2020, but also to capture the potential abandonment tendencies in the mountain area.

##### ➤ Case studies

The case studies conducted among beneficiaries of sM 4.1, 6.1, 6.3 had a dedicated section on the abandonment of rural areas.

#### Methodological limitations

No relevant methodological limitations have been identified.

<sup>56</sup> The abandonment of traditional agricultural landscape in Slovakia – Analysis of extent and driving forces (2015), Juraj Lieskovský, Peter Bezák, Jana Špulerová, Tibor Lieskovský, Peter Koleda, Marta Dobrovodská, Matthias Bürgi, Urs Gimmi. Journal of Rural Studies Volume 37, February 2015, Pages 75-84

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*Considered indicators and assimilated values*

The indicators associated to projects in mountain area that were considered for this evaluation question are:

- Total public expenditure
- Total investments
- Total area (ha)
- Supported physical area (ha)

*Answer to the evaluation question*

Investments done through NRDP (sM4.1, 6.1, 6.3) and the payments to compensate the areas with natural constrains (M13) have positively contributed to reducing the abandonment of land, which, however, remains a challenge for the current and future development of mountain area.

The support provided through the NRDP was usually an effective tool for increasing the number of people employed and reducing the possibility of abandonment. In many cases, the problem is more about emigration of farmers to other countries than actual abandonment of land that can be leased to other farms. Only in more isolated areas where there is no economic interest, the problem of abandoning agricultural land is not associated with the phenomenon of labour emigration.

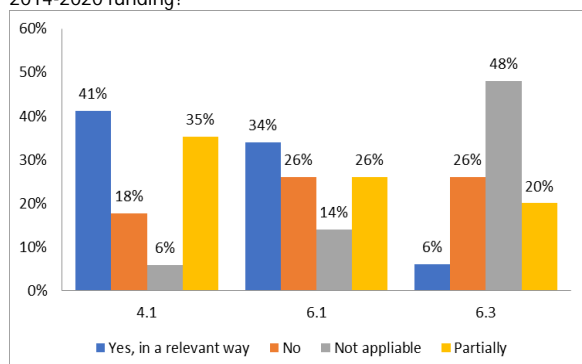
The investments done in mountain area are considered of fundamental importance by the beneficiaries.

The investments have helped 41% of the beneficiaries of sM 4.1 and 34% of sM 6.1 to increase the exploitation size, while for small farms (sM6.3) the investment made through NRDP had an insignificant effect in relation to the increase of the agricultural area.

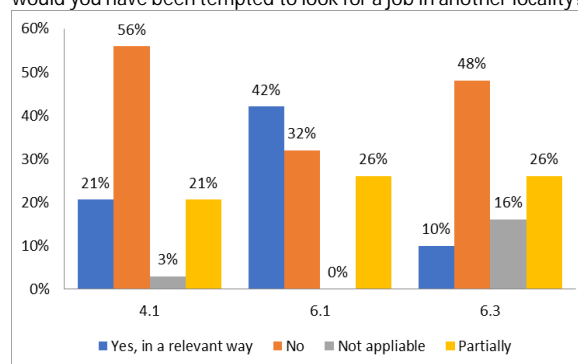
The investment has convinced a relevant number (42%) of young people to remain in the mountain areas without the necessity to leave for a new job. This conclusion has a lower relevance in the case of more developed agricultural holdings (sM 4.1) or small farms (sM 6.3).

**Figure no. 14** Answers provided to the questionnaire on the phenomenon of abandonment of agricultural land

Has the surface of lands and pastures increased as a result of NRDP 2014-2020 funding?



Q14. If you had not benefited from the NRDP 2014-2020 funding, would you have been tempted to look for a job in another locality?



Source: Administrative data processed by the evaluation team

In conclusion, in order to better monitor the evolution of land abandonment, it may be appropriate to classify the territory considering the Traditional Agricultural Landscapes (TAL), as evidenced by the



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specialised literature, in the case study of Slovakia, and stimulating the specific sub-measures for preserving different typologies of landscape.

## 6.2 Summary of case studies

In order to gather further information needed for providing the answer to the evaluation questions, the evaluation team has analyzed a set of case studies for which data were collected through field visits, at the beneficiaries' premises. The case studies directly covered the beneficiaries of submeasures 4.1, 4.2, 6.1, 6.3 and 6.4 of the NRDP 2014-2020 with finalized projects by December 2017 and have addressed relevant evaluation topics, such as the context existing at the time of the application within the programme, project implementation and its effects, as well as issues related to innovation, training and partners involved.

In particular, case studies were designed to identify the successful aspects and the factors that have contributed to the achievement of results, to capitalize on examples of good practice and to highlight the impact of these projects on the mountain rural area. For 3 of the 5 case studies, the project's contribution to the stoppage of abandonment of agricultural land (in the case studies for sM 4.1, 6.1, 6.3) was also targeted.

Within the evaluation contract, five case studies were carried out as it follows:

- One case study for submeasure 4.1, for a project that includes investments in the livestock sector<sup>57</sup>;
- One case study for submeasure 4.2;
- One case study for submeasure 6.1;
- One case study for submeasure 6.3, for a project that includes activities related to breeding cattle (livestock sector in mountain area);
- One case study for submeasure 6.4, for a project that includes investments in handcraft activities.

As a general conclusion of the five case studies, it can be noted that, given the criteria on the basis of which the case study projects were selected (e.g. highest score, project status etc.), these are examples of good practices for potential applicants under the NRDP 2014-2020.

For each case study, the assessment team analyzed the intervention logic at project level in order to identify the degree of success which characterized the implementation of the project. Thus, the analysis focused on the following criteria: relevance (project's adequacy level to meet beneficiary's development needs), efficiency (reasonable management of available resources and costs), effectiveness (ability to achieve the target values set for achievements and outcomes), impact (contribution to the beneficiary's development and project's effects in the wider environment, if

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<sup>57</sup> Submeasure 4.1.a - Investments in the establishment, extension and / or upgrade of livestock farms, including efficient pollution reduction technologies and compliance with Union standards and storage / manure management

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necessary, with the presentation of the additional unforeseen effects), sustainability (the sustainability of effects over time.)

Following next, the most representative findings and results obtained from each case study will be briefly highlighted, while the general conclusions and the most relevant effects generated by the implementation of the analyzed projects will be presented at the end of this subchapter.

**Table no. 5** Main findings of the case studies:


Project name	Main findings of the case studies
<p>Endowment of the zootechnical farm through the purchasing of agricultural machinery and equipment – Pall Andor IE</p>	<p><i>The measure of NRDP 2014-2020 within which the project was funded:</i></p> <p>SM 4.1 – Investments in agricultural holdings</p> <p><i>Information about the existing context:</i></p> <ul style="list-style-type: none"> <li>• The funded project creates the premises for increasing the competitiveness of the farm in the livestock sector and maintaining the regional economic development potential.</li> <li>• At local level, there is a market for sales and a significant demand for pork on the local market, but there are relatively few companies in the region that cover this sector.</li> <li>• The establishment of the farm and the project idea are closely related to market opportunities.</li> <li>• In the light of the work undertaken, the project has favored the collaboration with local farmers, who act as feed providers for pigs.</li> <li>• It is also believed that the project has a positive impact in the field of innovation, as a relatively small number of staff (4 persons) are used for the raise of about 3.500 pigs, most of the activities being carried out through farm technological processes.</li> <li>• In addition, in the light of the technological process used inside the farm, there are created all the conditions for meeting environmental criteria (e.g. reducing greenhouse gas emissions) and favoring natural growth of pigs.</li> </ul> <p><i>Project implementation:</i></p> <ul style="list-style-type: none"> <li>• For the project elaboration and implementation, the beneficiary has collaborated with an external consultant who has provided specialized services for the preparation of the documentation for</li> </ul>



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Project name	Main findings of the case studies
	<p>submitting the project, as well as the preparation of the payment requests.</p> <ul style="list-style-type: none"><li>• The main impediment encountered by the beneficiary was represented mainly by excessive bureaucracy - the respondent also referred to the process of obtaining the construction permits for the farm. However, the purchase of agricultural machinery and equipment related to the project did not involve major problems.</li></ul> <p><i>Effects of the project:</i></p> <ul style="list-style-type: none"><li>• The main effects of the project relate to the increase in the efficiency of the farm's activities, strictly connected to the animals and manure transport, while there has been created a new job. The main positive aspect is the continuity of the farm's activity in pig breeding, which, through collaboration with the slaughterhouse, helps the general local development. It can be stated that in Lemnia the premises of a whole supply chain have been created for this kind of activity.</li><li>• The project implied the creation of a new job, thus contributing to a 25% increase in the total number of jobs registered at the beneficiary level after the project completion.</li></ul>




Project name	Main findings of the case studies
	
<p>Refurbishment of the factory for milk processing - SC Brădet SRL</p>	<p><i>The measure of NRDP 2014-2020 within which the project was funded:</i></p> <p>sM 4.2 – Support for investment in the processing / marketing and / or development of agricultural products</p> <p><i>Information about the existing context:</i></p> <ul style="list-style-type: none"> <li>• The purpose of the project implementation was to diversify the company's product range by acquiring new machinery to enable the realization of new products, as well as the expansion of the existing production of the company.</li> <li>• One of the external factors that led to the need of the project was the evolution and dynamics of the market, which created the necessity for the purchase of new equipment and machinery to meet the niche needs.</li> <li>• The project has been successfully implemented and the expected results have been achieved, and there are also a number of effects generated by the project at the company level, such as increasing the turnover and employing new personnel.</li> </ul>



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Project name	Main findings of the case studies
	<ul style="list-style-type: none"><li>• The equipment purchased through the project has contributed both to the increase in production volume and to ensuring a greater degree of flexibility to meet the needs of the buyers.</li></ul> <p><i>Project implementation:</i></p> <ul style="list-style-type: none"><li>• For the elaboration and implementation of the project, the beneficiary collaborated with an external consultant who provided specialized services for the preparation of the documentation for submitting the project, as well as the preparation of the payment requests.</li><li>• The beneficiary considers that the difficulty level of preparing the application file for funding is quite high and the costs of preparing the entire documentation are also expensive. The necessary documents for applying under sub-measures 4.2 are complex and with a high degree of technicalities, which is why it is often necessary for the applicants to use the support of consultancy firms.</li><li>• The external difficulties encountered in the implementation of the project were related to the delays caused by the procurement procedures of the equipment.</li></ul> <p><i>Effects of the project:</i></p> <ul style="list-style-type: none"><li>• One of the main success factors of the project was the creation of new products that led to the differentiation of the beneficiary from other competitors on the market.</li><li>• The main effects of the project were represented by the increase of sales at the company level, increase of the number of jobs, and expansion of the network of retailers and partners.</li><li>• From a social point of view, the purchase of new equipment through the project has helped the increase of the profit at the company level, the increase in the employees salary, the reduction of the working time for the production of certain</li></ul>

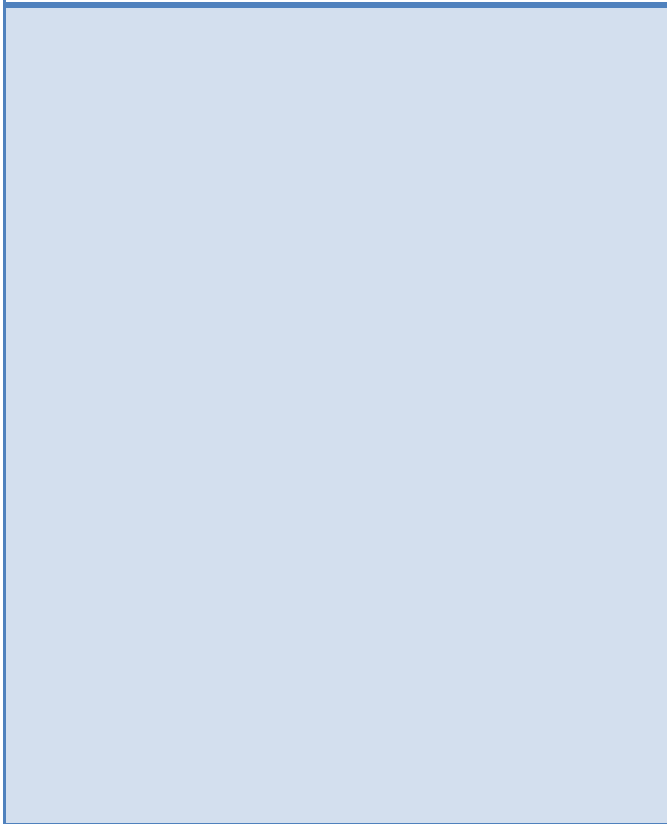

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Project name	Main findings of the case studies
	<p>products. Also, the production of new products has created the necessary premises for entering new markets and attracting new customers.</p> <ul style="list-style-type: none"> <li>• In 2017, the beneficiary's turnover registered an increase of about 21% compared to 2015 (before starting the project funded by NRDP 2014-2020). Thus, in 2017 the beneficiary registered 63 employees, compared to 2015 when there were only 58. The net profit in 2017 was 440.102 lei, with a decrease of 52% compared to 2015, when the net profit was almost double (929.239 lei).</li> <li>• The project has targeted new customers in the region (markets such as Kaufland, Mega Image, Profi, Auchan). According to the feasibility study estimations, the new clients attracted 13,6% of the total sales recorded by the company.</li> </ul> 
<p>Setting up of young farmer – Iancu George Vlad IE</p>	<p><i>The measure of NRDP 2014-2020 within which the project was funded:</i></p> <p>SM 6.1 – Support for the setting up of young farmers</p> <p><i>Information about the existing context:</i></p> <ul style="list-style-type: none"> <li>• The idea of the project was based on the development opportunity identified in the region by focusing on animal husbandry, as this sector presents a real potential.</li> <li>• Recent trends in development are positive, given the low level of competition at regional level.</li> <li>• Due to the existence of a city with great emerging potential in the immediate vicinity (Cluj-Napoca), which also allows the rural population to have access to stable jobs, the region faces a high risk of population emigration, as well as an increase</li> </ul>



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Project name	Main findings of the case studies
	<p>in demographic dependence - under the conditions of aging and relocation of young people.</p> <p><i>Project Implementation:</i></p> <ul style="list-style-type: none"><li>• The main problem encountered by the beneficiary was to obtain the approval for the construction of the garbage disposal platform, which has clearly delayed the start and implementation of the project (approximately 8 months). In addition, in the beneficiary's view, the administrative burden for submitting the project is excessive and requires simplification regulations (eg there is an overregulation at the level of endorsement documents).</li><li>• At the same time, a major social problem has been highlighted regarding the development of the farm's activity due to the impossibility to purchase the land in the immediate vicinity of the holding.</li></ul> <p><i>Effects of the project:</i></p> <ul style="list-style-type: none"><li>• The main effects of the project consisted in increasing sales at the company level, increasing the number of jobs, and expanding the collaboration network.</li><li>• As the main factor of success, it was noted that the farm's activity has led to several collaborations with enterprises that activate in the beef processing sector. Through the farm's activity there have been established collaborations with enterprises acting in the meat processing sector (Ex Aberdeen Angus Association - for the establishment of animal pedigree, Karpatean Meat, which purchases farmed cattle animals - represents the major partner for the farm activity, Maria Trading SRL - animal products processing).</li></ul>



Project name	Main findings of the case studies
	
<p>Support for the agricultural holding of Curcan R. Doina Authorized Natural Person in Certeju de Sus commune, Certeju de Sus village</p>	<p><i>The measure of NRDP 2014-2020 within which the project was funded:</i></p> <p>SM 6.3 – Support for the development of small farms</p> <p><i>Information about the existing context:</i></p> <ul style="list-style-type: none"> <li>• The project was aimed to develop the already existing farmer's business in order to diversify the field of activity: introducing vegetable crops into protected areas and marketing the production on the market.</li> <li>• From an economic point of view, the beneficiary considered that its own production of vegetables that could be subsequently marketed represents an important benefit for the development of agriculture in the area.</li> <li>• Also, another advantage was represented by the fact that the activities implemented within the project allowed the elimination of the cost for the seedlings purchase.</li> <li>• The beneficiary considers that the rural mountain area is limited in terms of agricultural activities,</li> </ul>



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Project name	Main findings of the case studies
	<p>meaning that farming is sometimes difficult to be practiced in this area.</p> <p><i>Project implementation:</i></p> <ul style="list-style-type: none"><li>• For the elaboration and implementation of the project, the beneficiary collaborated with an external consultant who provided the specialized services for the preparation of the documentation for submitting the project, as well as the preparation of the payment requests.</li><li>• The beneficiary considers that the difficulty level of preparing the financing application file is quite high, especially for small farms that access low-value financing (15.000 euros).</li><li>• Moreover, changing the conditions for the implementation of projects during their elaboration creates additional difficulties for beneficiaries.</li><li>• The beneficiary also considers that although the location of the project implementation is located in an area with tourism potential, it is not properly capitalized and the area is not classified as an area with high tourist potential (according to the Atlas of Areas with touristic potential).</li></ul> <p><i>Effects of the project:</i></p> <ul style="list-style-type: none"><li>• The development and diversification of the activities foreseen in the project had a direct effect on the increase in the number of employees of the beneficiary: two new permanent jobs were created, which were also maintained after the finalization of the project.</li><li>• One of the success factors of the project consists in the possibility of producing certified seedlings (increasing the products quality). Moreover, the production of seedlings in the greenhouse built through the project has substantially reduced the cost with the purchasing of seedlings.</li><li>• Project implementation allowed marketing production to both supermarkets known in the area and to the association of vegetable growers. 2 new jobs were created following the implementation of the project, which were maintained after the investment was completed.</li></ul>

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Project name	Main findings of the case studies
	<p>The project has proposed the orientation of domestic production through marketing activities to supermarkets and the Association of Vegetable Producers =&gt; 2 new customers</p>  
<p>Extending traditional production at Cubicstone Andezit SRL</p>	<p><i>The measure of NRDP 2014-2020 within which the project was funded:</i></p> <p>SM 6.4 – Investments in creation and development of non-agricultural activities</p> <p><i>Information about the existing context:</i></p> <ul style="list-style-type: none"> <li>• The main challenge could be represented by the general economic development of the area, as it does not present attractiveness in terms of investments to be undertaken by economic agents. According to the respondents, the main source for development, which is the most attractive for the economic agents, is represented by wood processing, but this has been diminished lately due to massive deforestation. Thus, stone processing has become an alternative to economic</li> </ul>




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Project name	Main findings of the case studies
	<p>development, since in the immediate vicinity of Suseni there is an andesite stone quarry.</p> <ul style="list-style-type: none"><li>• The business idea started entirely due to the possibilities of accessing the NRDP financing, the activity being started about 6 years ago, together with the establishment of the cubic stone production workshop. Following the successful implementation of the workshop activities, the premises for the extension of the traditional, craftsmanship cubic stone production were created by the acquisition of specialized mechanical machinery, which facilitates the processing of rough stone.</li><li>• Attracting buyers is a permanent challenge for the company, while the respondent has mentioned the need to obtain long-term collaboration contracts in order to capitalize on the production potential.</li><li>• Another challenge for the company is related to labor migration, the respondent believing that this is the trend in recent years (there have been situations when employees have left to other regions / countries due to the low living standard of the area).</li></ul> <p><i>Project implementation:</i></p> <ul style="list-style-type: none"><li>• For the elaboration and implementation of the project, the beneficiary collaborated with an external consultant who provided specialized services for the preparation of the documentation for submitting the project, as well as the preparation of the payment requests.</li><li>• Through the project, the living standards in the rural area was increased to a certain extent, through the employment of the company's staff (11 employees). At the same time, the work done provides a traditional / handicraft product, through manual stone processing.</li></ul> <p><i>Effects of the project:</i></p>



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Project name	Main findings of the case studies
	<ul style="list-style-type: none"> <li>• The company has expanded its production capacity, turnover and has capitalized on the development potential of the area.</li> <li>• The project has capitalized on the existence of the Andesite stone quarry in Suseni area and the potential for the recognition of hand-cubed stone.</li> <li>• 3 new jobs were created following the implementation of the project, which were maintained after the investment was completed. Thus, in 2017 the beneficiary registered 7 employees, compared to 2015 when there were only 2. The beneficiary's net profit increased from 1.400 lei (before the project started) to 13.000 lei (after its completion).</li> <li>• As a result of the project implementation, the following were achieved: stopping the abandonment of agricultural lands and improving living standards.</li> </ul> <div data-bbox="810 1173 1350 1772">  </div>

General conclusions obtained as a result of the case studies:

The case studies conducted for the Evaluation Study IV – Mountain area report the following:

- Positive quantitative results after project implementation, with an increase in turnover and number of jobs created within all the analyzed projects.



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- So far, the case studies have reported positive qualitative results, through the acquisition of advanced technological equipment, diversifying the scope of the beneficiaries or expanding the products and services offered, as well as joining new markets at local, regional, national or even European level.
- An important aspect highlighted through the case studies is the importance of networking among more farmers from the mountain rural area and the establishment of sustainable cooperation relationships, that will create the context of sustainable rural development and will create beneficial local factors.
- So far, the case studies have not reported any sustainability issues, which is ensured by the beneficiaries after the project completion (by maintaining the number of jobs and capitalizing on developed products). The development and diversification of the activities foreseen within the projects had a direct effect on the increase in the number of employees of the beneficiaries: new permanent jobs were created, which were maintained after the project was completed.
- For the elaboration and implementation of the projects, all the beneficiaries have collaborated with external consultants, who provided the specialized services for the preparation of the documentation related to the submission of the project, as well as the preparation of the payment requests.
- Legislation on public procurement and beneficiaries' lack of experience in conducting such procedures has led to delays in project implementation.
- The case studies did not report major difficulties in project monitoring due to the good cooperation with authorities involved in programme management.
- Among the external factors that led to the need to carry out the projects are the evolution and the dynamics of the market, which created the necessity of acquiring new equipment that meet the specific niche needs.
- One of the main success factors of the projects was represented by the creation of new products that has led to the differentiation of the beneficiaries from other competitors on the market.
- From a social point of view, the purchase of new equipment through the project has helped the increase of profit margin for the company, the increase of employees' salaries and has reduced working time for the production of certain products. Also, the production of new products has created the necessary premises for entering new markets and attracting new customers.
- For two of the case studies, it has been reported that mountain rural area has some limitations regarding the development of agricultural activities, meaning that farming is sometimes difficult to be practiced in this area.
- One case study revealed that the mountain rural area is facing a high risk of population migration, as well as an increase in demographic dependence - under the conditions of aging and relocation of young people.



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- All the beneficiaries that were surveyed through the case studies have stated that they are interested in accessing other funds (or other measures from the NRDP) for the future development of their businesses started with the funds provided under the NDRP 2014-2020.

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

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This section sets out the key findings resulting from the evaluation process on programme implementation, effectiveness, efficiency and relevance.

- Programme implementation. This section describes the progress of programme implementation, analysing the different types of sub-measures contributing to the development of mountain area. Further details on the implementation of the submeasures of NRDP 2014-2020 are included in a dedicated deliverable, namely the analysis of the degree of achieving the objectives of each NRDP measure, provided annually by the evaluation team.
- Effectiveness - the extent to which the set objectives have been achieved. The analysis is divided in two parts. The first part compares the contracted budget at the level of the projects located in the mountain areas through the NRDP with the budget contracted within the programme at national level.  
The second part of the analysis shows the target achievement for sM 4.1, 4.2, 6.1, 6.3, 7.2, 7.6 for which there are specific output indicators on mountain areas. The analysis compares the programme actual achievements at the end of 2017 in mountain areas with the expected final target in order to illustrate the progress compared with 2016 and the programme capacity to reach the target based on the number of contracted projects.
- Efficiency - the optimal relationship between the resources used and the results obtained. The assessment of efficiency relies on the comparison of unit costs of projects and unit costs calculated for some specific output/target indicators (e.g. new jobs created, hectares supported (ha) etc.), between projects located in mountain areas and non-mountain areas, with a specific focus on sM 4.1, 6.3, 6.4, 19.1<sup>58</sup>. The other sub-measures have not been considered in the analysis because the number of finalized projects in mountain area is very limited or absent and an assessment of the efficiency of contracted projects would be of limited use for the evaluation process.
- Relevance - the extent to which the programmed objectives are in line with the needs, problems and various other aspects encountered in programme implementation. The analysis was focused on:
  - the extent to which the established selection criteria were correlated with the needs identified through the programme for each sub-measure at the level of which at least existed projects contracted in mountain area until the end of the year;
  - the opportunity of the established selection criteria for the territories located in the mountain area, by comparing the scores obtained by projects located in mountain area with projects located outside the mountain area.

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<sup>58</sup> This sub-measure refers to support rather than projects.

## 7.1 Key findings on programme implementation

Taking into account the foreseen objectives, the coverage of interventions financed by NRDP 2014-2020 is the entire national territory, this implicitly covering the mountain areas. NRDP funding is therefore relevant and may have a direct or potential contribution to the development of mountain area - this subchapter analyses this contribution taking into account NRDP's state of implementation by the end of 2017, without taking into account the projects in transition. The direct contribution is provided by measures/sub-measures under which projects located in mountain area were contracted, while the potential contribution is provided by the remaining measures / sub-measures planned under NRDP, that can lead to the integrated development of several territories including those located in mountain areas. There are also measures that have not contributed so far to the development of 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.

Below it is presented the list of planned sub-measures, according to the Vth version of NRDP 2014-2020 (approved in June 2017), and the way they have contributed to the development of the mountain area, taking into account the situation of projects contracted until 31/12/2017:

Submeasure programmed within NRDP 2014-2020	Contribution to the development of mountain area	Justification
Submeasure 1.1 - Support for vocational training and skills acquisition actions	Potential	Projects selected under this submeasure target a regional or county territory, which may include certain areas framed as mountain areas. By the end of 2017, 14 projects were contracted. This submeasure does not have specific allocations for the mountain area during the sessions launched.
Submeasure 1.2 - Support for demonstration projects/information actions	It did not contribute up to the end of 2017	No projects were contracted until the end of 2017. The launch of this submeasure was planned for 2018, according to the information collected within the field research.
Submeasure 2.1 – Advisory services for farmers, young farmers, micro-enterprises and small enterprises in rural areas	It did not contribute up to the end of 2017	No projects were selected by the end of 2017. Three public procurement were launched, of which two were cancelled and one was under evaluation at the end of 2017.
Sub-measure 3.1 - Support for first-time participation in quality schemes	It did not contribute up to the end of 2017	This submeasure was introduced in the Vth version of NRDP 2014-2020 (approved in June 2017). Until the end of 2017, the necessary documents for launching and implementing this sub-measure have not been developed.
Submeasure 3.2 - Support for information and promotion activities of products from quality schemes implemented by producer groups on the domestic market	It did not contribute up to the end of 2017	This submeasure was introduced in the Vth version of NRDP 2014-2020 (approved in June 2017). Until the end of 2017, the necessary documents for launching and implementing this sub-measure have not been developed.
Submeasure 4.1 - Investments in agricultural holdings	Direct	This submeasure has specific allocations for the mountain area within the annual launched



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Submeasure programmed within NRDP 2014-2020	Contribution to the development of mountain area	Justification
		sessions. By the end of 2017, 132 projects were contracted in the mountain area, out of which 27 were finalized.
Submeasure 4.1 a - Investments in fruit-growing holdings	Direct	By the end of 2017, 7 projects were contracted in the mountain area, but none were finalized. This submeasure does not have specific allocations for the mountain area within the annual launched sessions.
Submeasure 4.2 Support for investments in processing/marketing of agricultural products	Direct	This submeasure has specific allocations for the mountain area within the annual launched sessions. By the end of 2017, 10 projects were contracted in the mountain area (including the GBER scheme), out of which 3 were completed. This submeasure has a low access degree in the mountain area, possible explanations for this being the following: - road accessibility in mountain areas is more difficult due to relief, and the development of an integrated food chain or the establishment of processing / marketing units requires a high degree of accessibility to as many transport infrastructures as possible; - in 2017, the session related to submeasure 4.2 did not have a specific allocation for the mountain area.
Submeasure 4.2a - Investments in processing/marketing products in the fruit-growing sector	Direct	By the end of 2017, 1 project was contracted in the mountain area, but it was not completed. This submeasure does not have specific allocations for the mountain area within the annual launched sessions.
Submeasure 4.3 - Investments for the development, modernization or adaptation of agricultural and forestry infrastructure	Direct	By the end of 2017, 40 projects were contracted in the mountain area, but none were finalized. 31 contracted projects involve investments in forestry infrastructure and only 9 contracted projects involve investments in agricultural infrastructure. This submeasure does not have specific allocations for the mountain area within the sessions launched.
Submeasure 6.1 – Business start-up aid for young farmers	Direct	This submeasure has specific allocations for the mountain area within the annual launched sessions. By the end of 2017, 2.002 projects were contracted in the mountain area, out of which 19 were completed.



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Submeasure programmed within NRDP 2014-2020	Contribution to the development of mountain area	Justification
Submeasure 6.2 – Business start-up aid for non-agricultural activities in rural areas	Direct	By the end of 2017, 416 projects were contracted in the mountain area, out of which only 1 was completed. This submeasure does not have specific allocations for the mountain area within the annual launched sessions.
Sub-measure 6.3 - Support for the development of small farms	Direct	This submeasure has specific allocations for the mountain area within the annual launched sessions. By the end of 2017 1.144 projects have been contracted in the mountain area, out of which 14 were completed.
Submeasure 6.4 - Support for investments in creation and development of non-agricultural activities	Direct	By the end of 2017, 202 projects were contracted in the mountain area, out of which 19 were completed. This submeasure does not have specific allocations for the mountain area within the annual launched sessions.
Submeasure 6.5 - Payments to eligible farmers under the scheme for small farmers permanently transferring their holding to another farmer	It did not contribute up to the end of 2017	This submeasure does not have specific allocations for the mountain area within the annual launched sessions. By the end of 2017 only 3 projects were contracted, but none was located in the mountain area. The low accessibility of this submeasure is determined by the beneficiaries' low interest to apply within this submeasure - given the category of beneficiaries, namely small farms, their administrative capacity to prepare the financing dossier and payment requests is limited. Other reasons for the low access degree would be: the short period of support (3 years) compared to the long commitment period (for example, the land transfer contract can only be terminated 20 years after the grant support); lack of cadastral records for many landowners who might be beneficiaries under this submeasure. In addition, a large proportion of them entered, in 2015, into the simplified scheme for small farmers funded under the first pillar of CAP (making annual payments for 5 years, funded by the EAGF) and they can not apply within this submeasure without retiring from the previous scheme. This submeasure does not have specific allocations for the mountain area during the sessions launched.
Submeasure 7.2 - Support for investment in the creation, improvement and expansion of all types of small-scale infrastructure,	Direct	This submeasure has specific allocations for the mountain area within the annual launched sessions. By the end of 2017, 258 projects were contracted in the mountain area, out of which only one was completed.



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Submeasure programmed within NRDP 2014-2020	Contribution to the development of mountain area	Justification
including renewable energy and energy-saving systems		
Submeasure 7.6 - Investments associated with the protection of cultural heritage	Direct	This submeasure has specific allocations for the mountain area within the annual launched sessions. By the end of 2017, 126 projects were contracted in the mountain area, but none of it were completed.
Submeasure 8.1 – Support for afforestation and creation of woodland	It did not contribute up until the end of 2017, but it has a particular relevance to the mountain area	By the end of 2017, 34 projects were selected to go through the contracting stage. Contracting was not possible due to institutional difficulties - the measure is managed by APIA and involves the conclusion of financing contracts between applicants and PAIA, but PAIA does not manage the budget of NRDP for the financing contracts, but the one related to payment commitments. A change to the programme was proposed in December 2017 to update the sheet of measure 8.1, respectively, to replace the phrase "financing contract" with "commitment".
Submeasure 9.1- Establishment of producer groups and organizations in agriculture and forestry	Direct	By the end of 2017, 1 project was contracted in the mountain area, which is under implementation (the implementation of the projects involves the granting of a degressive flat-rate aid, up to 5 annual installments granted to producer groups whose business plans have been selected; for this reason there were not recorded finalized projects until the end of 2017). This submeasure does not have specific allocations for the mountain area during the sessions launched. This submeasure generally has a low number of applicants due to the high complexity of the funding dossier from the perspective of the necessary documentation.
Submeasure 9.1a Establishment of producer groups in the fruit-growing sector	It did not contribute until the end of 2017	This submeasure does not have specific allocations for the mountain area within the annual launched sessions. Until the end of 2017, no projects were submitted or contracted under this submeasure. The level of development of the associative forms and the partnership culture in the agricultural sector is limited and the interventions exclusively dedicated to the fruit sector represent a new element that did not exist in the previous programming period and which therefore requires





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Submeasure programmed within NRDP 2014-2020	Contribution to the development of mountain area	Justification
		intensive promotion and support for the potential applicants.
Submeasure 10.1 – Agri-environment and climate payments	Direct	This submeasure does not have specific allocations for the mountain area in the annual launched campaigns. In 2017, more than 75% of the beneficiaries of this submeasure were located in the mountain area, namely 40.849 farmers, with a committed area of 252.209 ha, which represented about 48% of the total area committed under this submeasure. More than 97% of the beneficiaries signed commitments for eligible areas under package 1 - high natural value meadows.
Submeasure 11.1 - Payment for conversion to organic farming practices and methods	Direct	This submeasure does not have specific allocations for the mountain area in the annual launched campaigns. In 2017, about 16% of the beneficiaries of this sub-measure were located in the mountain area, namely 386 farmers, with a committed area of 1.607 ha, which represented only 3% of the total committed area under this submeasure. The most accessed packages were 1 and 3, regarding crops and orchards.
Submeasure 11.2 - Support for maintaining organic farming practices and methods	Direct	This submeasure does not have specific allocations for the mountain area in the annual launched campaigns. In 2017, approximately 30% of the beneficiaries of this sub-measure were located in the mountain area, namely 665 farmers, with a committed area of 1.975 ha, representing 20% of the total committed area under this submeasure. The most accessed packages were 1 and 3, regarding crops and orchards.
Submeasure 13.1 – Compensatory payments in the mountain area	Direct	This submeasure is dedicated exclusively to beneficiaries located in the mountain area. In 2017, over 253.000 farmers signed commitments under this submeasure for an area of 1.235.23.5924 ha. The subsidies allocated under this submeasure have a fixed amount of 97 euro / ha / year, the amount of the subsidy per hectare being higher than that calculated for submeasures 13.2 (62 euro / ha / year) and 13.3 (75 euro / ha / year).
Submeasure 13.2 - Compensatory payments for areas facing significant natural constraints	Does not contribute	Within this submeasure, beneficiaries located in the mountain area can't apply, but only beneficiaries located in other areas facing significant natural constraints, delimited according to the submeasure sheet.



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Submeasure programmed within NRDP 2014-2020	Contribution to the development of mountain area	Justification
Submeasure 13.3 - Compensatory payments for other areas facing specific constraints	Does not contribute	Within this submeasure, beneficiaries located in the mountain area can't apply, but only beneficiaries located in other areas facing specific constraints, delimited according to the submeasure sheet.
Submeasure 15.1 - Payments for climante and forest-environment commitments	It did not contribute until the end of 2017, but it has a particular relevance to the mountain area	Under this submeasure, 28 requests for support were submitted, but the evaluation-selection process was not finalized, by the end of 2017, for the first session launched. The application submission session ended in June 2017, but the assessment process was delayed by about 3 months, delay caused by the errors reported by PAIA at the level of documents submitted by applicants (as a result of the unclear aspects in the Applicant's Guide), but also by the errors in the technical documentation approved by the Forest Guard.
Submeasure 16.1 - Support for establishment and operation of operational groups (GO), for the development of pilot projects, of new products	It did not contribute until the end of 2017	This submeasure does not have specific allocations for the mountain area within the annual launched sessions. Until the end of 2017 no projects were submitted or contracted under this submeasure, AS no sessions of projects were launched. Potential applicants must go through two stages in the project selection process: I. the submission of the intention to set up the operational groups and II. the submission of the project by the operational group selected under Stage I. The innovative character of this sub-measure required time to accommodate with the specific rules and procedures for both programme authorities and potential applicants. However, given that the first session of these sub-measures is planned in 2018, the significant delay along with the administrative difficulties reported by potential applicants will most likely affect the programme's ability to achieve its specific targets initially set.
Submeasure 16.1a Support for establishment and operation of operational groups (OG), for development of pilot projects, products and processes in the orchard sector		
Submeasure 16.4 Support for horizontal and vertical cooperation among actors in the supply chain	Direct	By the end of 2017, 5 projects have been contracted in the mountain area, all of it being under implementation (project implementation may take up to 3 years, all the projects being contracted in 2016; probably for this reason there were no finalized projects by the end 2017). This submeasure does not have specific allocations for the mountain area during the sessions launched.



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Submeasure programmed within NRDP 2014-2020	Contribution to the development of mountain area	Justification
Submeasure 16.4a Support for horizontal and vertical cooperation among actors in the supply chain in orchard sector	Direct	By the end of 2017, 2 projects located in the mountain area were contracted, these being under implementation (projects implementation can take up to 3 years, all projects being contracted in 2016; probably for this reason there were no finalized projects by the end of 2017). This submeasure does not have specific allocations for the mountain area during the sessions launched.
Submeasure 17.2 — Mutual funds for adverse climatic phenomena, animal and plant diseases, parasitic infestations and environmental incidents	It did not contribute until the end of 2017	This submeasure was not launched until the end of 2017. The main difficulties encountered are associated with the reluctance of farmers to join associative forms and to pay contributions to a mutual fund. For these reasons, although the legislation governing the establishment and functioning of mutual funds has been drafted and approved in consultation with the economic and social partners, there are different views on the way in which mutual funds work, thus, so far, no associative form was accredited in this respect.
Submeasure 19.1 - Preparatory support for the development of local development strategies	Direct	By the end of 2017, 49 projects from the mountain area were contracted to support LDS, out of which 46 were completed. Thus, almost a third of all LAGs supported for LDS development were located in the mountain area.
Submeasure 19.2 Support for implementation of operations within the local development strategy	Direct	By the end of 2017, 76 projects had been contracted in the mountain area, but none were finalized. These projects were submitted within the selected LDSs, following individual selection calls launched by each LAG. The contracting process took place in November - December 2017, these projects being at the beginning of their implementation period.
Submeasure 19.3 Preparation and implementation of Local Action Group cooperation activities	It did not contribute until the end of 2017	This submeasure does not have specific allocations for the mountain area, but LAGs located in the mountain area have the possibility to apply. No projects under this sub-measure have been contracted by the end of 2017. One possible explanation may be that LAGs have devoted their resources to prepare and launch the project submission sessions in the period 2016-2017, the implementation of cooperation activities following to be carried out after the implementation of projects funded through the approved LDS.



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Submeasure programmed within NRDP 2014-2020	Contribution to the development of mountain area	Justification
Submeasure 19.4 Support for operational costs and animation	Direct	By the end of 2017, 60 contracted projects were submitted by LAGs located in the mountain area, all of them being under implementation. It is noted that the number of selected LDSs in mountain area (59) exceeds the number of LAGs supported for the development of LDSs (49), demonstrating that some LAGs have accumulated sufficient experience in the previous programming period in order to be able to develop the LDS document with their own resources.
Measure 20 - Technical assistance	n.a.	The implementation of the projects funded through the technical assistance measure contributes to the development and support of the programme authorities' administrative capacity in order to provide an optimal administrative and support framework to facilitate the achievement of all the targets set by the programme. By the end of 2017, 41 projects were contracted, out of which 20 were completed.

Below are some key findings regarding the implementation of submeasures planned under NRDP, considering the national level, resulted from the analysis of data provided by MA NRDP from the monitoring system.

- Submeasure 4.1 "Investments in agricultural holdings": By the end of 2017, 3.501 applications have been submitted, out of which 1.425 projects (41%) were selected, 1.222 were contracted and 472 projects were completed. In addition, other 139 projects from the transition were contracted (out of which 70 were completed). There is a slower pace of implementation for this submeasure on the territory of Danube Delta ITI and in the fruit sector - no projects have been finalized on the territory of Danube Delta ITI and only 1 project on the fruit sector has been finalized. Moreover, in case of projects located on the territory of Danube Delta ITI or referring to the fruit sector, the ratio between selected projects / submitted applications is lower compared to the same ratio calculated for the other types of investments within submeasure 4.1.
- For submeasures 15.1 "Payments for climate and forest-environment commitments", 16.4 "Support for horizontal and vertical cooperation among actors in the supply chain", 16.4a "Support for horizontal and vertical cooperation among actors in the supply chain in orchard sector " there are no commitments / completed projects. In the case of submeasure 15.1 there are no projects selected by the end of 2017 and for submeasures 16.4 and 16.4a there is a small number of contracted projects, namely 19 and 6. In what concerns sM 16.4, 5 out of 17 contracted projects are in progress of implementation on territories in the mountain area, having a total eligible value of approximately 540.000 euros. In case of sM 16.4a, there are 2 projects located in the mountain area with a total eligible value of approximately 180.000 euro.

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- In what concerns measure 19, by the end of 2017, there were no finalized projects under submeasures 19.2 "Support for implementation of operations within the local development strategy" and 19.4 "Support for operational costs and animation" submitted under NRDP 2014-2020, but were contracted 256, respectively 239 projects. However, 1.597 projects coming from transition were completed under sM 19.2 and 2 transition projects were contracted under sM 19.4.

Related to submeasure 19.1 "Preparatory support for the development of local development strategies", 180 applications were submitted, 175 were selected, 164 were contracted and 151 were finalized by the end of 2017.

**Table no. 6** The state of submeasures implementation on December 2017 (excluding transition projects)

	Submeasure	The state of projects implementation – December 2017				Number of projects contracted in mountain area	Total number of projects contracted within each submeasure
		Finalized in mountain area	Finalized in total, within each submeasure	Cancelled in mountain area	Cancelled in total, within each submeasure		
Database managed by MA NRDP and AFRI	1.1	0	0	0	4	n.a.	14
	4.1	27	514	1	11	132	1245
	4.1a	0	1	0	3	7	105
	4.2	3	4	0	2	8	94
	4.2 GBER	0	0	0	0	2	29
	4.2a	0	0	0	2	1	10
	4.3	0	0	0	2	40	170
	6.1	19	338	0	9	2002	9721
	6.2	1	12	1	6	416	1832
	6.3	14	85	0	3	1144	4136
	6.4	19	87	2	12	202	672
	6.5	0	0	0	0	0	3
	7.2	1	1	0	0	258	943
	7.6	0	1	1	2	126	399
	9.1	0	0	0	0	1	8
	16.4	0	0	0	1	5	19
	16.4a	0	0	0	0	2	6
	19.1	46	151	1	9	49	164
19.2	0	0	0	0	76	256	
19.4	0	0	0	0	59	239	

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	Submeasure	State of commitments implementation on campaigns 2015-2017	
		Total number of farmers with signed commitments	Total number of farmers with commitments signed in the mountain area
Database managed by PAIA	13.1	766.354	766.354
	13.2	604.937	0
	13.3	9.467	0
	10.1	113.890 <sup>59</sup>	86.888
	11.1	6.040	1.230
	11.2	9.296	2.573

Source: Administrative data processed by the evaluation team

## 7.2 Programme effectiveness

Some of the sub-measures had a dedicated budget to mountain areas during the submission sessions launched between 2015-2017; it's the case of sM 4.1, 4.2, 6.1, 6.3, 7.2, 7.6. The comparison between the dedicated budget for mountain areas and the contracted budget for mountain areas in respect to the total planned and contracted resources for each of the above mentioned submeasures allows assessing the current effectiveness of the programme implementation in terms of contracting capacity based on the planned allocations. The analysis of the target achievement for the specific output indicators shows the capacity of the programme to meet its objectives in the mountain areas.

The following table shows the contracting capacity of the programme and the level of target achievement.

- sM 4.2 has a lower contracting capacity in mountain areas than the rest of the territory - meaning that it is contracted an amount relatively lower than the planned one - and makes little progress towards the final goal of the specific output indicator.
- sM 4.1 has a lower contracting capacity in the mountain areas comparing to the rest of the country - meaning that it is contracted an amount relatively lower than the planned one - and records a medium progress towards the final target of the output indicators.
- sM 6.1 and 7.2 have a contracting capacity in mountain areas in line with the rest of the country and have a high potential to achieve the final target considering both the finalized and contracted projects.
- sM 6.3 has higher contracting capacity than the rest of the country, which seems however not sufficient to reach the final target of the corresponding specific output indicator, for which the progress is rather limited.
- sM 7.6 has a higher contracting capacity than the rest of the country and records a medium capacity to achieve the final target of the specific output indicator because, even if the number

<sup>59</sup> A farmer may have one or more commitments depending on the packages being accessed and the number of land plots subject to the commitments

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of contracted projects is higher than the final target, there are no finalized projects until the end of 2017.

**Table no. 7** Contracting capacity and progress towards the targets set for submeasures with specific allocations for mountain area

sM	Contracting capacity in mountain areas comparing to the rest of the country	Progress towards reaching the target of the appropriate specific output indicator
4.1	Lower	Medium - Some progress, but target not achieved yet
4.2	Lower	Low - The progress is not sufficient yet
6.1	Similar	High - Enough contracted projects to achieve the target
6.3	Higher	Medium - Some progress, but target not achieved yet
7.2	Similar	High - Enough contracted projects to achieve the target
7.6	Higher	Medium - Enough contracted projects to achieve the target but there are no finalised projects

*Source: Data processed by the evaluation team*

Below are presented further details on the information contained in the previous table.

In what concerns measure 4, in particular sM 4.1 and 4.2, the contracted budget in mountain areas is lower than planned, considering the share of the allocated budget to mountain areas within the sessions launched. Thus, the contracted share in mountain areas is lower than the share of allocated budget in both sM 4.1 "Investments in agricultural holdings" and sM 4.2 "Support for investments in processing/marketing of agricultural products", showing a lower performance in mountain areas in delivering the investments funded by these submeasures.

In what concerns measures 6 and 7, the contracting capacity of the programme in mountain areas is at least in line with the rest of NRDP resources, if not better. In case of sM 6.1 "Business start-up aid for young farmers" and 7.2 "Support for investment in the creation, improvement and expansion of all types of small-scale infrastructure, including renewable energy and energy-saving systems", the contracted budget in mountain areas in respect to the total NRDP contracted budget is in line with the share of the allocated budget.

In particular, sM 6.3 "Support for the development of small farms" and 7.6 "Investments associated with the protection of cultural heritage" in mountain areas reach a level of contracted budget of the total NRDP contracted which is higher than the share of the dedicated budget to mountain areas. Therefore, the contracting capacity of projects in mountain areas is higher than the rest of the country.

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**Table no. 8** Evaluating the effectiveness of submeasures with distinct financial allocations for the mountain area - contracting capacity

Submeasure	Allocation to session (euro) (2015-2017) A	Allocation to mountain area (euro) (2015-2017) B	% mountain area (B/A)	Contracted projects - total (Euro) C	Contracted projects - mountain area (Euro) D	mountain area / total (C / D)
4.1	810.776.952	95.155.391	11,73%	464.532.381,95	52.058.054,10	11,20%
4.2	286.978.286	37.395.656	13,03%	84.412.056,00	4.184.909,00	4,95%
6.1	442.209.889	100.362.967	22,70%	399.160.000,00	81.170.000,00	20,33%
6.3	272.848.330	63.854.449	23,40%	62.028.750,00	17.156.250,00	27,65%
7.2	1.268.139.770	352.841.931	27,82%	901.900.171,77	246.376.609,11	27,31%
7.6	252.483.287	70.894.986	28,08%	130.146.167,87	42.677.957,47	32,79%

Note: Red indicates when the contracted share is lower than the allocated share in mountain areas, green when it is higher, orange when it is in line.

Source: Administrative data processed by the evaluation team

The analysis of the target achievement of the output indicators for mountain areas shows 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; the submeasure registers a relatively small number of contracted projects (8<sup>60</sup>) which makes difficult to achieve the final target (88). Projects coming from transition have little influence on the value of this indicator, considering that there are 4 such projects, all completed by December 2017.

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.

<sup>60</sup> Not including the 2 projects funded under the GBER scheme, given that the GBER scheme does not delineate a specific allocation for the mountain area.



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- 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.

Despite the different achievement of programme targets, the number of contracted projects ensures the potential achievement of the values close to the final target, showing some improvement compared to 2016. For sM 6.3, 14 projects have been finalized and 1144 contracted by the end of 2017, which means there is a progress compared with 2016, but some additional contracted projects are needed to achieve the final target of RO-OA22 (3381). In case of sM 4.1, 27 projects were finalized out of the 132 projects contracted with new resources by the end of 2017, plus 11 finalized projects from transition (there are 5 other projects in transition under implementation), thus registering a progress compared to 2016. Considering the 132 projects contracted compared to the 292 listed as target value, submeasure 4.1 progresses towards the final target.

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. In case of sM 6.1, 240 transition projects and 19 new projects were completed by the end of 2017. Considering that there are 2002 contracted projects in mountain areas, the programme already has the potential to achieve the target of RO-OA21 (1774). For sM 7.2, 41 projects coming from transition and 1 new project were completed by the end of 2017. There are also 258 projects contracted with new resources by the end of 2017. This means that the programme has the capacity to achieve the final target value of RO-OA23 (208).

The following table illustrates the aforementioned findings.

**Table no. 9** Evaluating the effectiveness of submeasures with specific output indicators for the mountain area

Specific output indicators - finalized projects					
Target indicators based on specific output indicators	Target value	Value achieved in 2016	Value achieved in 2017	Synthetic effectiveness assesment	
RO-OA19 Holdings from mountain area benefiting from aid for investments in agricultural holdings (number) - sM 4.1	292	19 (12 projects with new resources and 7 transition projects)	38 = 27 new projects (132 contracted projects) and 11 projects in transition (7 reported in 2016 and 4 reported in 2017)	13% of target achievement and medium potential to make a progress towards the final target based on the contracted projects until the end of 2017	
RO-OA 20 Operations from mountain area benefiting from support for investments in the processing and marketing of agricultural	88	3 (all transition projects - there were no completed projects contracted directly with the resources of NRDP 2014-2020)	7 = 3 new projects (8 contracted projects) and 4 projects in transition (3 reported in 2016 and 1 reported in 2017).	8% of the target achievement, with a limited number of contracted projects by the end of 2017	



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Specific output indicators - finalized projects				
Target indicators based on specific output indicators	Target value	Value achieved in 2016	Value achieved in 2017	Synthetic effectiveness assesment
products - number - sM 4.2			This sM has the lowest effectiveness in relation with the specific output indicators defined for the mountain area, taking into account that only 8 projects have been contracted by the end of 2017 <sup>61</sup> .	
RO-OA 21 Beneficiaries (holdings) from the mountain area benefiting from installation aid for young farmers – sM 6.1	1774	239 (all transition projects - there were no completed projects contracted directly with the resources of NRDP 2014-2020)	259 = 19 new projects (2002 contracted projects) and 240 projects in transition (239 reported in 2016 and 1 project reported in 2017). However, if all projects contracted in the mountain area are considered as potentially completed, the programme can reach and even exceed the established target.	15% of target achievement and high potential to reach the final target considering the projects contracted by the end of 2017
RO-OA22 Beneficiaries (holdings) from the mountain area benefiting from aid for small farms (number) – sM 6.3	3381	481 (all in transition - there were no completed projects contracted directly with the resources of NRDP 2014-2020)	918 = 14 new projects (1144 contracted projects) and 904 projects in transition (481 reported in 2016 and 423 reported in 2017). However, if all the contracted projects are considered as	27% of target achievement and average potential to reach values closer to the final target considering the projects contracted by the end of 2017

<sup>61</sup> Exclusive projects funded by the GBER scheme and de minimis aid.

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Specific output indicators - finalized projects				
Target indicators based on specific output indicators	Target value	Value achieved in 2016	Value achieved in 2017	Synthetic effectiveness assessment
			potential completed, under the current conditions 60% of the final target will be achieved.	
RO-OA 23 Operations in the mountain area benefiting from investment support for the creation and upgrading of small scale basic infrastructure – sM 7.2	208	30 (all in transition - there were no completed projects contracted directly the resources of NRDP 2014-2020)	42, there is only one completed project contracted directly with the resources of NRDP 2014-2020. However, given the 258 projects contracted with new resources, there is a high chance that sM7.2 will reach its final target value for this indicator.	20% of target achievement and high potential for reaching the final target considering the contracted projects by the end of 2017
RO-OA-24 Operations in the mountain area benefiting from support for investments associated with the protection of cultural heritage – sM 7.6	95	0	0. However, the fact that there are 126 contracted projects makes it possible to achieve the final target of 95 supported operations.	0% of the target, but with a number of contracted projects higher than the final targets. However, being zero the number of finalized project, the capacity of achieving the target could be hindered by programme implementation on the future

Source: Administrative data processed by the evaluation team

### 7.3 Programme efficiency

The analysis of the efficiency has been conducted based on the unit costs of projects and local development strategies and the outputs of sM 4.1, 6.1, 6.3, 6.4, 19.1. This analysis can't be conducted for sM 7.6, because there are no finalised projects in the mountain area, nor for sM 7.2, respectively

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sM 4.2 given the very small number of finalised projects in the mountain area (1, respectively 3, until December 2017).

- The costs of public expenditure (EAFRD and public budget) of projects within the analysed submeasures do not differ substantially in mountain areas compared to the rest of the country.
- The costs of public expenditure needed to create a new job in non-agricultural activities, increasing agricultural investments and supporting the inhabitants through the elaboration of local development strategies is usually higher in mountain areas. This confirms the need of investing in mountain areas to foster its development which appears costlier and more challenging comparing with the other rural areas.
- On the other hand, as shown by the analysis on submeasures, presented below, supporting the development of small farms usually cost less in mountain areas than elsewhere and more if it supports also the installation of young farmers.

Additional details are provided below for each sM included in the analysis.

#### Submeasure 4.1 Investments in agricultural holdings

The table below shows the different levels of unit costs calculated between projects in mountain and non-mountain areas under sM 4.1 (pink cells).

- Overall, the unit cost in relation to public expenditure but also in terms of total investments of the projects is higher in mountain than in non-mountain areas. This shows that making investment in mountain areas is costlier than in any other parts of the country.
- The unit costs of projects with investments in agricultural holdings are higher in mountain areas.
- The unit costs of projects with investment in irrigation systems are higher in mountain areas and much higher if the ratio is calculated per hectare supported. It should be noted, however, that there is only one project completed in sM 4.1 located in the mountain area, which included investments in irrigation systems.

**Table no. 10** The efficiency level calculated for sM 4.1, completed projects (contracted with new resources)

	Mountain area	Non-mountain area	Report MA/nMA
a) Number of finalized projects (investments and irrigations)	27	487	
b) Public expenditure (LEI)	32.209.187,11	523.233.225,58	
b)/a) Unit cost per finalized project (LEI)	1.192.932,85	1.074.400,87	111,03%
c) Total public expenditures for projects with investments in agricultural holdings (LEI)	29.966.608,08	518.143.860,41	
d) Number of projects with investments in agricultural holdings	26	483	
g) Surface of supported agricultural holdings (Ha)	1.804,73	85.045,24	
c)/d) Unit costs of projects with investments in agricultural holdings (LEI)	1.152.561,84	1.072.761,61	107,43

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	Mountain area	Non-mountain area	Report MA/nMA
c)/g) Unit costs of hectares under projects with agricultural holdings (LEI)	16.604,48	6.092,56	272,53
e) Total public expenditures on investment projects in irrigation systems (LEI)	2.242.579,03	5.089.365,17	
f) Number of projects with investment in irrigation systems	1	4	
h) The surface targeted by investment in irrigation systems (Ha)	11	939,82	
e)/f) Unit costs of projects with investments in irrigation systems (LEI)	2.242.579,03	1.272.341,29	176,25
e)/h) Unit cost per ha supported in projects with investments in irrigation systems (LEI)	203.870,82	5.415,25	3.764,75

Source: Administrative data processed by the evaluation team

### Submeasure 6.1 Business start-up aid for young farmers

The unit cost of the projects is very similar, but it is slightly lower in mountain areas compared to the rest of the territory. The unit cost per hectare supported is higher in mountain areas than in the rest of the country, given that mountain area projects are smaller than those outside this area (6,2 compared to 8,35 ha).

**Table no. 11** The efficiency level calculated for sM 6.1, completed projects (contracted with new resources)

	Mountain area	Non-mountain area	Report MA/nMA
Number of finalised projects (a)	19	319	
Total public expenditures (EARDF + State budget) (LEI) (b)	3.481.832	61.685.363,97	
Supported hectares (c)	117,83	2.665,31	
Average number of supported ha / project (c/a)	6,2	8,35	74,25%
Unit cost / supported ha (b/c) (LEI)	29.549,62	23.143,78	127,67%
Unit cost per project (b/a) (LEI)	183.254,31	193.371,04	95%

Source: Administrative data processed by the evaluation team

### Submeasure 6.3 Support for the development of small farms

The table below shows the different levels of efficiency between projects in mountain and non-mountain areas under sM 6.3. The unit cost of each project is very similar. The unit cost per supported hectare is lower in mountain areas than in the rest of the country and in particular compared with areas with specific or significant natural constraints. Related to ecologic production, this is not foreseen by any finalized project located in the mountain area.

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Overall, the unit cost of the projects supporting the development of small farms in mountain areas is similar to any other parts of the country, with an average of 2,78 hectares supported per project in mountain areas and 2,32 hectares supported per project in non-mountain areas.

**Table no. 12** The efficiency level calculated for SM 6.3, finalized projects (contracted with new resources)

	Mountain area	Non-mountain area	Report MA/nMA
Number of finalized projects	14	71	
Total public expenditure (LEI)	950.040	4.818.285	
Number of supported hectares	38,94	165,15	
Average number of supported hectares/project	2,78	2,32	119,82%
Unit cost / supported ha (LEI)	24.297,53	29.175.20	83,28%
Unitary project cost (Total public expenditure /finalised projects) (LEI)	67860	67863	99%

Source: Administrative data processed by the evaluation team

#### Submeasure 6.4 Support for investments in creation and development of non-agricultural activities

The table below shows the different levels of efficiency between projects in mountain and non-mountain areas under sM 6.4. In particular, the unit cost of each project is very similar, but slightly lower in mountain than in non-mountain areas. However, the total public expenditure is slightly higher in mountain than in non-mountain areas for the creation of one additional job through the project, meaning that creating one job costs more in mountain areas.

**Table no. 13** The efficiency level calculated for sM 6.4, completed projects (contracted with new resources)

	Mountain area	Non-mountain area	Report MA/nMA
Number of finalized projects	19	68	
Total public expenditure (LEI)	9.793.066,82	38.617.209,51	
Number of jobs created	24	106	
Unit cost per job created (LEI)	408.044,45	364.313,28	112%
Average unit cost/project (LEI)	515.424,56	567.900,12	90,75%

Source: Administrative data processed by the evaluation team

#### Submeasure 19.1 Preparatory support for the development of local development strategies (LDS)

The table below shows the different levels of efficiency between LDS elaborated in mountain and non-mountain areas under sM 19.1. The unit cost of each project is very similar, but slightly lower in mountain than in non-mountain areas. However, the total public expenditure reported to the total number of inhabitants targeted through the LDS is slightly higher in mountain than in non-mountain areas.

**Table no. 14** The efficiency level calculated for sM 19.1, for the strategies that have been financed for territorial development (contracted with new resources)

	Mountain area	Non-mountain area	Report MA/nMA
Number of finalized projects	46	105	
Total public expenditure (LEI)	2.519.294,64	6.018.800,45	
Population covered by LAG	1.739.738,00	4.509.488,00	
Unit cost per /inhabitant on LAG territory (LEI)	1,45	1,33	109,02%
Average unit cost/project (LEI)	54.767,27	57.321,91	95,54%

Source: Administrative data processed by the evaluation team

## 7.4 Key findings on the relevance of the selection criteria in relation with the needs identified at programme level

This subchapter highlights the main conclusions resulted from the relevance analysis of selection criteria for submeasures presenting contracted projects in the mountain area at the end of 2017. The full analysis is included in Annex no. 1 of this study.

The relevance of the selection criteria was analysed by reference to three main dimensions related to the needs of each submeasure and the selection criteria defined for each submeasure.

Thus, a correspondence between the selection criteria and the identified needs has been made to see the number of needs to which each selection criterion responds. The average score obtained on each selection criterion for contracted projects in the mountain area and the weight of each selection criterion in the total score were also calculated.

Finally, the relevance of the selection criteria was assessed on the basis of a multi-criteria analysis, using the weighted score of each selection criterion according to: the number of needs addressed, the average score obtained and the weighting of the selection criterion in the total score. For each selection criterion, three grades were given, as follows:

- 1 = the selection criterion is not associated with any need/average score <  $35\% \times \text{maximum score} / \text{criterion weight} < 35\% \times \text{score average weight}$
- 2 = the selection criterion is associated with one need /  $(35\% \times \text{maximum score}) \leq \text{average score} < (70\% \times \text{maximum score}) / (35\% \times \text{score average weight}) \leq \text{score weight} < (70\% \times \text{score average weight})$
- 3 = the selection criterion is associated with more needs /  $(70\% \times \text{maximum score}) \leq \text{medium score} / (70\% \times \text{score average weight}) \leq \text{criterion weight}$

The score for analysing the relevance of the selection criterion was calculated by the arithmetic mean of the three analysed dimensions, as follows:

- Low relevance if final score  $\leq 1$
- Average relevance, if  $1 < \text{final score} < 2$
- High relevance if  $2 \leq \text{final score}$



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Submeasure	Conclusions on the relevance of the selection criteria
<p>sM 4.1 – Support for investments in agricultural holdings</p>	<p>For sub-measure 4.1, eight selection criteria were defined, the analysis performed indicating an increased relevance for 5 of them, and an average relevance for the other 3 selection criteria.</p> <p>The selection criteria considered to be of high relevance are:</p> <ul style="list-style-type: none"> <li>– The size of the holding targeting medium-sized holdings;</li> <li>– Priority sector according to socio-economic analysis;</li> <li>– Integrated food chains, respectively the combination within the same project of the investments in the primary agricultural production with the processing and / or marketing of the obtained production;</li> <li>– The agricultural potential of the area targeting the areas with potential determined by specialized studies;</li> <li>– Farm manager's qualification level in the agricultural field.</li> </ul> <p>On the other hand, the criteria considered to be of medium relevance are:</p> <ul style="list-style-type: none"> <li>– Association of farmers holding small and / or medium-sized farms within cooperatives or producer groups established under the national legislation in force;</li> <li>– Water savings for projects that provide investments to modernize farm-level irrigation systems by prioritizing investments that lead to the largest water savings;</li> <li>– Domestic varieties / breeds.</li> </ul> <p>Most needs are addressed by farm size and water saving criteria for projects that provide investments to modernize farm-level irrigation systems, while criteria for farmer association, level of qualification held by the managers of agricultural holdings and indigenous varieties/breeds are not associated with any need.</p> <p>It is noted that the most addressed need in the case of sM 4.1 is "<i>Adequate level of capital and technology for modern agricultural activities (004)</i>".</p> <p>The selection criteria with the highest weight in the total score are the priority sector according to the socio-economic analysis and the association of farmers holding small and / or medium sized farms.</p>
<p>sM 4.1a – Investments in fruit-growing holdings</p>	<p>Under submeasure 4.1a, 10 selection criteria were defined, an increased importance being given mainly to the criteria related to the priority culture system, the principle of integrated food chains and the principle of association, which have the highest share in the total score.</p> <p>Most of the selection criteria were rated as of medium relevance:</p> <ul style="list-style-type: none"> <li>– Size of the agricultural holding;</li> <li>– Association;</li> <li>– Ownership (agricultural holdings owning the fruit plantations subject to reconversion and / or the land on which the establishment of the fruit plantations is established);</li> <li>– Level of qualification;</li> <li>– Age;</li> <li>– Reconversion;</li> <li>– Water saving for projects involving investments to modernize farm-level irrigation systems by prioritizing investments targeting higher water savings.</li> </ul> <p>A high relevance, based on the analysis carried out, was attributed to the following three selection criteria:</p>



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Submeasure	Conclusions on the relevance of the selection criteria
	<ul style="list-style-type: none"> <li>- Priority tree species (peach, nectarine, apple, shrubs, apricot, cherry);</li> <li>- System of priority crop (intensive, super intensive, ecological, crops in protected areas);</li> <li>- Integrated food chains.</li> </ul> <p>The selection criterion related to integrated food chain addresses the largest number of needs - 2: Competitive fruit orchards (002) and High value added products and jobs in the fruit-growing areas (003).</p>
<p>sM 4.2 - Support for investments in processing/marketing of agricultural products</p>	<p>At the level of submeasure 4.2, four selection criteria were defined, as follows:</p> <ul style="list-style-type: none"> <li>- P1: the principle of creating integrated food chains, eg the integration of collection, processing and marketing systems;</li> <li>- P2: the principle of the product with high added value (eg products that participate in quality schemes recognized at national, European level etc.);</li> <li>- P3: the principle of association within cooperatives or producer groups;</li> <li>- P4: the principle of agricultural potential targeting potential areas determined based on the specialty study.</li> </ul> <p>Out of these, the highest share in the total score is held by P1 and P4, each being awarded with a maximum score of 30 points.</p> <p>The analysis shows that each of the first two principles are associated with the needs "Modernizing the agricultural product processing sector and adapting it to EU standards (005)" and "Integrated food chains (009)", while P3 and P4 are not associated with any need.</p> <p>However, considering the three dimensions analysed, namely the number of needs addressed, the average score obtained and the weighting of the selection criterion in the total score, it can be estimated that three of the four selection criteria associated with the sub-measure are of high relevance (criteria on integrated food chains, high added value products and agricultural potential), and the criterion related to association within cooperatives or producer groups is of medium relevance.</p>
<p>sM 4.2a - Investments in processing/marketing products in the fruit-growing sector</p>	<p>The selection criteria defined for submeasure 4.2.a are:</p> <ul style="list-style-type: none"> <li>- P1: the principle of high value-added products (coming from HNV areas, national and European quality schemes);</li> <li>- P2: the principle of integrated food chains (investments covering the entire food chain: collection, storage, conditioning, processing and marketing);</li> <li>- P3: the principle of association (investments made by producer groups and fruit growers' cooperatives).</li> </ul> <p>By correlating the selection criteria with the identified needs, it is clear that the only criterion associated to a need is criterion 2 - the principle of integrated food chains, addressing the need "Value-added products and jobs in fruit-growing areas (003)". Selection Criteria 1 and 3 have no associated need.</p> <p>Regarding the relevance of the selection criteria based on the three analysed dimensions, it can be appreciated that the principle of integrated food chains is of high relevance, while the principle of value-added products and the association principle are of medium relevance.</p>



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Submeasure	Conclusions on the relevance of the selection criteria
<p>sM 4.3 - Investments for the development, modernization or adaptation of agricultural and forestry infrastructure</p>	<p>For submeasure 4.3 a differentiated analysis was carried out depending on the type of support: on agricultural access infrastructure and on forest access infrastructure.</p> <p>Thus, it is appreciated that out of the three selection criteria defined for the agricultural access infrastructure, the criteria related to the multiple purpose of the investment objective and the agricultural areas served have a high relevance, while the complementarity with the orchard subprogramme has a low relevance, explained by a small share of this selection criterion in the total score (10%) and the fact that it does not address any of the needs related to submeasure 4.3.</p> <p>For forest access infrastructure, two selection principles were defined, namely the principle of accessibility to forest areas through new investments and the principle of the forest area served.</p> <p>For both criteria, the analysis highlighted the high relevance of the criterion on the accessibility of forest areas addressing the need 013 - Supporting efficient and sustainable forest management. The criterion related to the forest area served does not address any need associated with submeasure 4.3.</p>
<p>sM 6.1 - Business start-up aid for young farmers</p>	<p>Out of the five selection criteria defined for project evaluation under submeasure 6.1, 3 criteria were considered to be of high relevance while for two criteria an average relevance was assigned, as follows:</p> <ul style="list-style-type: none"> <li>- The priority sector related to livestock sector (cattle, beekeeping, sheep and goats) and vegetal sector (vegetable growing, including seedlings, fruit growing and seed production) - high relevance;</li> <li>- Combining holdings taking into account the number of holdings wholly taken over - medium relevance;</li> <li>- Level of qualification in the agricultural field - high relevance;</li> <li>- Agricultural potential related to areas with potential based on specialized studies - high relevance;</li> <li>- Local breeds / varieties - medium relevance.</li> </ul> <p>The analysis carried out shows that the first selection criterion, based on the priority sector principle related to livestock and vegetable sector, addresses the greatest number of needs (4), while the criteria for merging holdings and agricultural potential do not address any of the needs associated with sM 6.1.</p>
<p>sM 6.2 - Business start-up aid for non-agricultural activities in rural areas</p>	<p>At the level of submeasure 6.2 four criteria have been defined for the selection of submitted projects, 3 of them being considered to have a high relevance and one a medium relevance:</p> <ul style="list-style-type: none"> <li>- Diversification of agricultural activities of farmers / members of agricultural household to non-agricultural activities - high relevance;</li> <li>- Prioritization of sectors with growth potential - high relevance;</li> <li>- Stimulating tourist activities in order to prioritize agro tourism activities in areas with high tourism potential / ecotourism destinations / areas with protected natural areas - medium relevance;</li> <li>- Stimulate a high-quality business plan - high relevance.</li> </ul> <p>According to the analysis carried out, the first two criteria address all three needs associated with sM 6.2 (needs 019, 020, 021), while the last two criteria do not address any of these.</p>
<p>sM 6.3 - Support for the development of small farms</p>	<p>The analysis of the relevance of the selection criteria associated with sM 6.3 revealed the following findings:</p>

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Submeasure	Conclusions on the relevance of the selection criteria
	<ul style="list-style-type: none"> <li>- The selection criterion for the qualification level in the agricultural field is of medium relevance, not being associated with any need, but with a weight of 20% out of the total awarded score;</li> <li>- The selection criterion related to the priority sector targeting the livestock (cattle, sheep, goats) and vegetable sector (vegetable crops, including the production of seeding material, fruit growing and seed production) is of high relevance, with a 15% share in total score awarded and addressing the need 004 - Adequate capital and technology for modern agricultural activities;</li> <li>- The criteria related to agricultural potential targeting areas with potential determined based on specialty studies addresses the need 005 - Modernizing the agricultural product processing sector and adapting it to EU standards and presents the highest share out of the total score, thus being appreciated as having a high relevance;</li> <li>- The criterion on the principle of family farms is of medium relevance, because it does not address any need, but it has the highest share in the total score, along with selection criterion no. 4;</li> <li>- The selection criterion based on the principle of local breeds / varieties is considered to be of medium relevance, addressing the need 012 - Maintaining the biological diversity and the environmental value of the agricultural and forest lands, but having the lowest share in the total score.</li> </ul>
<p>sM 6.4- Support for investments in creation and development of non-agricultural activities</p>	<p>Most of the selection criteria defined for this submeasure are considered to be of high relevance:</p> <ul style="list-style-type: none"> <li>- Diversification of agricultural activity into non-agricultural activities;</li> <li>- Prioritizing sectors with growth potential;</li> <li>- The principle of carrying out the previous activities as a general business management activity, in order to better manage the economic activity;</li> <li>- The principle of locating the entire activity of the applicant in the rural area.</li> </ul> <p>Only the criterion "Stimulating tourism activities in the sense of prioritizing agro-tourism activities in areas with high tourism potential / ecotourism destinations / areas with protected natural areas" has been assigned with a medium relevance, since it does not address any of the needs defined for submeasure 6.4 and considering the low share held in the total score (10%).</p> <p>The highest score assigned to determine the relevance of the selection criteria, through the three analysed dimensions, was given to the criterion of prioritizing sectors with growth potential.</p>
<p>sM 7.2 - Support for investment in the creation, improvement and expansion of all types of small-scale infrastructure, including renewable energy and energy-saving systems</p>	<p>The selection criteria for submeasure 7.2 were analyzed differently, depending on the type of support offered: local road infrastructure, water / waste water infrastructure and educational / social infrastructure.</p> <p>In what concerns local road infrastructure, out of the three selection criteria, two are considered to be of high relevance (the coverage of the population served and the principle of the multiple role in terms of accessibility for economic agents, tourism areas, social investments, other investments financed by European funds) and one of medium relevance (connectivity in order to ensure links with main roads and other transport routes).</p>



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Submeasure	Conclusions on the relevance of the selection criteria
	<p>In the case of investments for water / wastewater infrastructure, criterion 2 - coverage of the population served - is of high importance, mainly due to the high share of the score in the total awarded score, while criteria 1 and 3 are of medium relevance (Prioritization of the investment type in the way of prioritizing investments in water / wastewater infrastructure and prioritizing investments complementing those financed by Sectorial Operational Programme Environment and / or Operational Programme Large Infrastructure).</p> <p>Regarding investments for educational / social infrastructure, the analysis highlighted the high relevance of both selection criteria (coverage of the population served and the principle of prioritizing the type of investment according to the degree of socio-economic development of the area), a higher score being attributed to the latter one.</p>
<p>SM 7.6 - Investments associated with the protection of cultural heritage</p>	<p>All the selection criteria defined in this sub-measure are of high relevance regardless of the type of supported investment.</p> <p>Thus, the criteria for investment in restoration and preservation of cultural heritage of local interest, namely the "tourism potential of the mountain area" and "projects demonstrating socio-cultural activities carried out", were awarded with a final score of 2,33, respectively 2, the first having a higher weight of the selection criterion in the total score and implicitly a higher average score for the contracted projects.</p> <p>Regarding the investments for the modernization and endowment of cultural homes, the criterion related to population coverage degree has a high relevance and a final score of 2, while the criteria "rural tourism potential" and "projects that demonstrate socio-cultural activities" have achieved a final score of 2,33.</p>
<p>SM 9.1 - Establishment of producer groups and organizations in agriculture and forestry</p>	<p>In general, this submeasure is considered to have a high relevance, the only criterion considered to be of medium relevance being the principle of cooperation.</p> <p>However, only for two of the five criteria was established a link with the needs associated with this submeasure, namely the criteria based on the principle of product quality (addressing the need 009 - integrated food chains) and the principle of associating small farms (addressing need 007 - Restructuring, consolidation and modernization of small farms into market-oriented farms).</p>
<p>SM 16.4 - Support for horizontal and vertical cooperation among actors in the supply chain</p>	<p>At the level of submeasure 16.4, four selection criteria were defined, three of high relevance and one of medium relevance:</p> <ul style="list-style-type: none"> <li>- The representativeness of cooperation, respectively the number of involved partners (medium relevance);</li> <li>- Appropriate partnership structure, based on the project objective (high relevance);</li> <li>- The added value principle (partnerships that produce and market high value added products - participating in national and European quality schemes produced by HNV agricultural systems, etc.) (high relevance);</li> <li>- The "local markets" principle (eg less geographical distance between the point of production and point of sale) (high relevance).</li> </ul> <p>The only criterion that does not address any need is the selection criterion 1 - the representativeness of the cooperation, respectively the number of partners involved, which also holds the lowest share in the total score awarded.</p>

Submeasure	Conclusions on the relevance of the selection criteria
sM 16.4a - Support for horizontal and vertical cooperation among actors in the supply chain in orchard sector	The analysis on the relevance of the selection criteria indicates a similar situation to that of submeasure 16.4, given that for both submeasures the same selection criteria are defined which have the same maximum scores. In general, this submeasure also has a high relevance of the selection criteria, with only one criterion of medium relevance, namely the criterion related to cooperation representativeness.

## 7.5 Key findings on the relevance of selection criteria through a comparative analysis between the mountain and non-mountain area

The first element under consideration is addressed through a multi-criteria analysis showing how many needs of the programme are covered by the selection criteria for each measure. This analysis goes beyond the territorial focus of the study, showing an overview of the programme area and not just the mountain area.

The second element of the analysis is addressed through the differences between the attributions / characteristics of project beneficiaries contracted in mountain areas and those contracted outside mountain areas. Consequently, awarding a higher selection score for a certain selection criterion could increase / reduce the possibility of financing projects located in mountain areas compared to projects located outside mountain areas.

This analysis is carried out at sub-measure level, taking into account that each measure could have a contribution that exceeds the subject of the assessment (ie the mountain area). The findings from this analysis were also used to develop the answers to the evaluation questions in Section 6 of this study. The state of implementation of the measures is presented at the level of December 2017.

Here below, based on the analysis of contracted projects, there is an analysis of the features of beneficiaries in mountain areas and in non-mountain areas. This is to show whether there are substantial differences between the two groups of beneficiaries. The analysis excludes the following measures: 1, 2, 10, 11, 13 and sub-measures 6.5, 8.1, 9.1, 15. In particular, sM 9.1 was excluded from the analysis because there is only one contracted project in the mountain area.

In the case of M 1, there are 14 contracted projects. All the projects are located at county level and are not in specific localities and thus cannot be connected specifically to mountain area. For M2, there are no contracted projects until the moment when evaluation was carried out (see section 7.1 on programme implementation).

At the same time, within the agri-environment and climate measures (M10, 11, 13) are made voluntary commitments (through which beneficiaries take the commitment to fulfil and maintain certain specific conditions at the level of the committed area), the selection methodology based on specific criteria not being applicable.

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Submeasures 6.5, 8.1, 15.1 have no contracted projects in mountain areas, while 4.2a and 9.1 have only 1 contracted project in mountain areas. In the case of 16.4 and 16.4.a there are 5, respectively 2 contracted projects. However, it is also important to mention that the horizontal and vertical cooperation built through sM16.4 does not allow a clear cut division between projects in mountain areas and in the rest of the country. The analysis of selection criteria does not show substantial differences, except for the higher added value due to the capacity of project partners to sell products in mountain areas.

Therefore, the analysis examines the following sub-measures:

- SM 4.1, 4.2, 6.1, 6.3, 7.2, 7.6, which have a dedicated budget allocation to mountain areas;
- SM 4.1a, 4.3, 6.2, 6.4, 19.1.

*sM 4.1*

SM 4.1 has eight selection criteria for vegetal sector and livestock. In the same time there are two selection criteria which focus on two different dimensions and for which the beneficiaries from mountain areas differ substantially from beneficiaries in any other areas of the countries:

- Selection criteria 3, regarding the integration of the food chain which appears less integrated in the mountain areas rather than in the rest of the country;
- Selection criteria 8, regarding the autochthonous varieties or breeds. The score for this selection criteria is low in general (1,8 against a maximum of 5) and it is far lower in the case of mountain areas, showing, in average, a lower expected contribution to preserve and develop local varieties / breeds.

The presence of these two selection criteria reduces the relative probability of contracting within sM 4.1 - Investment in agricultural holdings - for potential beneficiaries in the mountain area, compared to other applicants in other areas of the country.

**Table no. 15** Average score awarded on selection criteria

Contracted projects in:	SC1	SC2	SC3	SC4	SC5	SC6	SC7	SC8
Mountain area	13,4	16,0	3,6	0,0	8,2	7,2	0,0	0,8
All the other areas, excepting mountain area	12,4	15,5	7,4	0,1	8,8	7,7	0,0	1,8

*Source: Administrative data processed by the evaluation team*

SC 1 regards the economic size of the holdings; the average total score of SC 1 is close to 13 and is slightly higher in mountain areas than in the rest of the areas, which also includes small-sized holdings. Agricultural holdings in the mountain area that have been selected under this submeasure are of medium (over 98% of the beneficiaries) or large economic size. In other areas, 95% of beneficiaries have medium-sized holdings.

SC2 refers to priority sectors. In general, agricultural sector specialization differs between mountain and non-mountain areas. From the percentage point of view, about 35% of the beneficiaries from mountain area obtained almost the maximum score (19 or 20 points), having a better performance

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compared to the beneficiaries located in non-mountain areas (only 10% of them obtained scores of 19 or 20 p).

SC 3 regards the integration of the food chain which appears less integrated in the mountain areas rather than in the rest of the country. In any case, the overall average score for this criterion is low, which shows a low interest of beneficiaries in integrating more food chain activities into a project.

SC 4 is always zero in mountain areas - no applicant in the mountain area was enrolled in a producer group or an agricultural cooperative. The criterion has a very small average value for the rest of the territory, which shows that the applicants in sM 4.1 are not registered in producer or cooperative groups.

SC 5 assesses the agricultural potential of mountain areas - the scores awarded are on average lower than those specific to non-mountain areas, according to ICPA credit rating, but the differences are not very high.

SC 6 - the applicant's level of agricultural qualification in mountain areas is lower than in other types of areas, but the average score is not very high.

SC 7 records a very low average value in both mountain areas and other types of areas, with the projects submitted contributing insignificantly to water saving and the upgrading of irrigation systems at farm level.

CS 8 regards the autochthonous varieties of breeds obtained / developed at farm level. The average score is generally reduced (1,8 p out of a maximum of 5 p) and is much lower for mountain areas, showing on average a lower expected contribution to preserve and develop local varieties / breeds.

*sM 4.2*

SM 4.2 has four selection criteria:

- 1 - The principle of creating integrated food chains, namely the integration of collection, processing and trading systems;
- 2 - The principle of the product with high added value (e.g. products that participate to quality schemes recognized at national, European level etc.);
- 3 - The principle of association within the cooperatives or producer groups;
- 4 - The principle of the agricultural potential targeting areas with potential determined based on the speciality study.

**Table no. 16** Average score awarded on selection criteria - sM 4.2

	No. of contracted projects	SC1 (Integrated food chain)	SC2 (high added-value products, products participating in quality schemes)	SC3 (association)	SC4 (agricultural potential)
Mountain area	8	38	5,6	1,9	21,3
All the other areas, excepting mountain area	86	11,5	2,4	0,7	18,1

Source: Administrative data processed by the evaluation team

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The analysis of the characteristics of the 8 contracted projects located in mountain areas compared to the 86 projects located in the rest of the rural areas, reveals the following aspects:

- Confirms that the integration of food chain remains a challenge for the investments in mountain areas;
- Shows an expected higher added value and agricultural potential in mountain areas;
- Shows that the association is a challenge for the rural development. Unlike the other measures, under sM 4.2 it is noted a more favourable situation in mountain areas than in the rest of the country.

### sM 6.1

This submeasure supports the installation of young farmers and contains the following selection criteria:

- 1 - The principle of the priority sector related to the livestock sector (cattle, beekeeping, sheep and goats) and vegetal sector (vegetable growing, including planting material, fruit growing and seed production);
- 2 - The principle of merging holdings taking into account the number of holdings wholly taken over;
- 3 - The principle of the level of qualification in the agricultural field;
- 4 - The principle of agricultural potential related to areas with potential determined based on specialized studies;
- 5 - The principle of local breeds / varieties.

The comparison of contracted projects shows that there are no substantial differences between projects in mountain areas and those in other areas of the country. However, the selection criteria for the agricultural potential and qualification level associated with the projects located in mountain areas show a lower average value than the projects in non-mountain areas.

**Table no. 17** Average score awarded on selection criteria - sM 6.1

	No. of contracted projects	SC1 (priority sector)	SC2 (merging holdings)	SC3 (level of qualification)	SC4 (agricultural potential)	SC5 (local breeds/varieties)
Mountain area	2002	27,7	2,0	9,4	15,7	0,2
All the other areas excepting mountain area	7722	28,9	1,7	10,8	20,7	0,9

Source: Administrative data processed by the evaluation team

### sM 6.3

This submeasure supports the development of small farms and has the following selection criteria:

- 1 - The principle of qualification level in the agricultural field (depending on the level of education and / or qualification in the agricultural field);



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- 2 - The principle of priority sector related to livestock (cattle, beekeeping, sheep and goats) and vegetable sector (vegetable crops, including the production of planting material, fruit growing and seed production);
- 3 - The principle of area agricultural potential that targets the areas with potential determined based on specialized studies;
- 4 - The principle of family farms;
- 5 - The principle of local breeds / varieties.

The comparison between contracted projects shows that there are no substantial differences between projects in mountain areas and non-mountain areas. However, the selection criteria related to the agricultural potential and qualification level of projects in mountain areas show an average value lower than of projects in non-mountain areas.

**Table no. 18** Average score awarded on selection criteria - sM 6.3

	No. of contracted projects	SC1 (level of qualification)	SC2 (priority sector)	SC3 (agricultural potential)	SC4 (family farms)	SC5 (local breeds/varieties)
Mountain area	1.144	6,2	12,1	20,8	4,3	0
All the other areas excepting mountain area	3.847	8,3	11,3	24,8	3,5	0

Source: Administrative data processed by the evaluation team

### sM 7.2

There are 258 contracted projects in mountain area and 685 contracted projects in other areas. The sub-measure encompasses various types of support which might be classified in three main groups:

- Water / waste water infrastructure<sup>62</sup>
- Road infrastructure<sup>63</sup>
- Educational / social infrastructure<sup>64</sup>

Selection criteria differ with the group of investments. In the case of road infrastructure there are four selection criteria:

- 1 - The principle of prioritizing the type of investment in the sense of prioritizing the investments in water / waste water infrastructure;
- 2 - The principle related to the coverage of population served;
- 3 - The principle of connectivity in order to ensure the connection with the main roads and other means of transport;

<sup>62</sup> This corresponds to: Construction, extension and / or modernization of public water network, Construction, extension and / or modernization of public water network, Construction, extension and / or modernization of integrated water and waste water infrastructure.

<sup>63</sup> This corresponds to Construction, extension and / or modernization of the network of roads of local interest.

<sup>64</sup> Establishment and modernization of kindergartens, except those outside rural schools, Establishment and modernization of nurseries as well as after-school infrastructure, only those outside rural schools, Expansion and modernization of higher secondary education institutions, technological field focused on natural resources profile and environmental protection and vocational schools in agriculture.

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- 4 - The principle of the multiple role in order to increase accessibility of economic agents, tourist areas, social investments, other investments financed by European funds.

**Table no. 19** Average score awarded to the selection criteria regarding road infrastructure

	No. of contracted projects	SC1	SC2	SC3	SC4
Mountain area	125	0,0	18,8	13,7	21,4
All the other areas excepting mountain area	284	0,1	19,2	15,6	20,2

*Source: Administrative data processed by the evaluation team*

The average values show that the connectivity to other main roads is lower in mountain areas and as a consequence the multiple role of the road is higher due to the remoteness of mountain areas. Selection criterion no. 1 is very low and it seems not applicable to this type of investment.

In the case of water / waste water infrastructure, there are three selection criteria:

- 1 - The principle of prioritizing the type of investment in the sense of prioritizing investments in water / waste water infrastructure;
- 2 - The principle related to the coverage of population served;
- 3 - The principle of prioritizing investments that complete investments financed by Sectorial Operational Programme Environment and Operational Programme Large Infrastructure.

**Table no. 20** Average score awarded on the selection criterion related to water / waste water

	No. of contracted projects	SC1	SC2	SC3
Mountain area	72	15,6	36,1	2,2
All the other areas excepting mountain area	198	14,6	37,6	1,5

*Source: Administrative data processed by the evaluation team*

The analysis of the selection criteria shows that the complementarity of investments in the water / waste water infrastructure with those financed through SOP Environment or OPLI is very low. This can be due to the absence of other investments in mountain area. Mountain areas take a higher score in the prioritization of investments due to the fact that the investment needs for water infrastructure are probably higher in mountain areas. At the same time, lower population coverage scores are registered due to lower population density compared to other areas of the country.

In the case of social / educational infrastructure, there are three criteria:

- 1 - The principle of prioritizing the type of investment in the sense of prioritizing investments in water / waste water infrastructure;
- 2 - The principle related to the coverage of population served;
- 3 - The principle of prioritizing the type of investment according to the degree of socio-economic development of the area, according to the "Study on establishing the socio-economic potential development of rural areas".

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**Table no. 21** Average score awarded on the educational / social infrastructure selection criterion

	No. of contracted projects	SC1	SC2	SC3
Mountain area	61	0,0	21,9	29,0
All the other areas excepting mountain area	203	0,0	29,2	34,4

Source: Administrative data processed by the evaluation team

The analysis shows that the average score for the selection criterion no. 1 is very low and does not appear to be applicable to this type of investment. In addition, projects in mountain areas have lower average values for the other two criteria, due to the low population coverage and lower socio-economic development potential.

### sM 7.6

There are 126 contracted projects in mountain areas but no project has been finalized yet and 273 contracted projects in other areas. The contracted projects regard three types of investments:

- 7.6. Restoration, conservation and endowment of buildings / monuments of real estate cultural heritage of local interest of class B
- 7.6. Restoration, preservation and / or endowment of monastic establishments of class B
- 7.6. Modernization, renovation and / or endowment of cultural homes

First two types of investment, refer to the following two selection criteria:

- 1 - Touristic potential of rural area;
- 2 - Projects demonstrating socio-cultural activities.

**Table no. 22** Average score awarded on selection criterion related to type of investment 7.6.a and 7.6.c

Type of investment	Area	No. of contracted projects	SC1	SC2
7.6 Restoration, preservation and endowment of buildings / monuments of the class B cultural heritage	Mountain area	13	26	20
7.6 Restoration, preservation and endowment of buildings / monuments of the class B cultural heritage	Non-mountain area	30	19	23
7.6 Restoration, preservation and / or endowment of class B monastic establishments	Mountain area	2	20	22
7.6 Restoration, preservation and / or endowment of class B monastic establishments	Non-mountain area	3	17	13

Source: Administrative data processed by the evaluation team

In the case of 7.6 Modernization, renovation and/ or endowment of cultural homes, the selection criteria are slightly different and encompass:

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- 1 - The principle related to the coverage of population served, including the touristic rural potential;
- 2 - Touristic potential of rural area;
- 3 - Projects demonstrating socio-cultural activities.

**Table no. 23** Average score on the selection criterion related to type of investment 7.6  
Modernization, renovation and / or endowment of cultural homes

Type of investment	Area	No. of contracted projects	SC1	SC2	SC3
7.6	Mountain area	111	24	15	15
7.6	Non-mountain area	240	25	9	14

Source: Administrative data processed by the evaluation team

sM 4.1a

The analysis of the features of the 7 contracted projects in mountain areas and 81 in the rest of the rural areas shows that:

- The integration of food chain, association, reconversion and property of the fruit plantation are less frequent in mountain areas;
- The production of priority fruit species and those of small-sized farms are more present in mountain areas.

**Table no. 24** Average score awarded on selection criteria - sM 4.1a

		Mountain area	All the other areas, excepting mountain area
CS1	Priority fruit species	6,9	3
CS2	Size (small farms)	1,4	0,4
CS3	Priority cultural system	9,7	8,4
CS4	Integrated food chain	0	2,4
CS5	Association	0	1,1
CS6	Property of the fruit plantations	1,4	4,6
CS7	Qualification level	1,1	2,1
CS8	Age	2,9	4
CS9	Reconversion	0	1,8
CS10	Water saving	0	0,1

Source: Administrative data processed by the evaluation team

sM 4.3

The submeasure is divided in three types of investments, of which two are developed in mountain areas: access infrastructure for forestry and agricultural access infrastructure. In the case of access infrastructure (Forestry), there are two criteria:

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- P1: The principle of accessibility of forest areas through new investments (only for new roads), which is divided in two sub-criteria. The first one takes into account if the road is in mountain areas / hill / plain areas and gives a higher score with the altitude. The second sub-criterion refers to the surface of exploitable, pre-exploitable areas and areas with environmental care works of the total forest area accessible through the new road.
- P.2: The principle of forest area gives priority to roads targeting the largest forest area.

**Table no. 25** Average score awarded on selection criteria SM 4.3

Access infrastructure (forestry)	P1 Altitude	P2 Surface
Mountain areas	15	36
Other areas	12	40

As expected for the first criterion, the contracted projects in mountain areas perform better due to the altitude, while in the second criterion it is the opposite. However, the differences between the two criteria are not very high.

In the case of agricultural access infrastructure, there are three criteria:

- P1 Multiple purpose of the investment objective;
- P2 Agricultural areas served by the investments;
- P3 Complementarity with the orchard subprogramme.

**Table no. 26** Average score awarded on selection criteria SM 4.3

Access infrastructure (agriculture)	P1	P2	P3
Mountain areas	21	48	9
Other areas	20	40	7

Contracted projects in mountain areas perform on average better than in any other area, in particular for the agricultural areas served which are larger in mountain areas than elsewhere.

### SM 6.2

Submeasure 6.2 supports the establishment of non-agricultural activities in the rural area, with the following selection principles:

- 1 - The principle of diversification of agricultural activity of farmers / members of agricultural household towards non agricultural activities;
- 2 - The principle of prioritizing sectors with growth potential in accordance with the National Competitiveness Strategy or the Integrated Strategy for Sustainable Development of the Danube Delta;
- 3 - The principle of stimulating tourist activities in the sense of prioritizing agro tourism activities in areas with high tourist potential / ecotourism destinations / areas with protected natural areas;

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- 4 - The principle of stimulating a high level of quality of the business plan, which will be determined according to the marketed production or the activities performed, in a percentage over 30% of the value of the first instalment payment.

Projects contracted in mountain areas have a lower score in terms of prioritization of sectors with growth potential, but a higher score in the capacity to stimulate tourist activities than projects located in other areas of the country. However, under sM 6.2, the average score of projects based on the evaluation criteria does not show significant differences from other areas.

#### sM 6.4

The submeasure 6.4 supports the creation and development of non-agricultural activities. The main differences in selection criteria emerge in SC3 and SC 4. For SC 3 (stimulating tourism activities), contracted projects show higher values in mountain areas, demonstrating a higher touristic potential. For SC 4, considering the condition that the beneficiary has previous activities, mountain areas show lower values. This demonstrates that despite the differences, projects in mountain areas do not need necessarily a dedicated budget, in this case also due to the higher touristic potential.

#### sM 19.1

In the case of sM 19.1, the analysis has considered 49 projects contracted in mountain areas and 115 elsewhere. Most of them have been already finalised, respectively 45 in mountain areas and 105 in other areas. In general, the scores of selection criteria do not show substantial differences between projects in mountain areas and the rest, except for selection criterion 5 and 6.

**Table no. 27** Average score awarded on selection criteria – sM 19.1

	No. of contracted projects	SC1	SC2	SC3	SC4	SC5	SC6
Mountain areas	49	15	16	3	9	9	11
Non-mountain areas	115	13	18	3	9	12	5

*Source: Administrative data processed by the evaluation team*

Selection criterion no. 5 regards the partnerships covering territories that have not benefited from LEADER funding (not part of a LAG financed through LEADER-NRDP 2007-2013), while selection 6 gives a higher score with a lower population density (such as mountain area). At the same time, due to the low density recorded in the mountain regions, the lower scores obtained for the selection criterion no. 5 and the higher scores for selection criterion no. 6 are explained

## 8. Conclusions and recommendations

This section of the study presents the conclusions and recommendations resulting from the evaluation activity. The conclusions and recommendations are illustrated considering the selected evaluation criteria, which have been group based on the following aspects: transversal themes, economic growth and development, social and cultural development, sustainable development.

The transversal themes regard the following evaluation criteria: type, size and sector of investments, effectiveness, efficiency and relevance. Besides the transversal themes, the evaluation has been focused on the capacity of the programme to promote economic growth and development of the rural area, cultural and social topics of interest and sustainable development.

The following table presents the evaluation criteria used and indicates which section of the evaluation study contains the full analysis underpinning the conclusions and recommendations.

**Table no. 28** Themes, evaluation criteria and the link with the relevant sections of the study

Themes	Evaluation criteria	Section of the study in which the analysis is done
Transversal themes	Type, size and sector of investment	Section 7.1, evaluation question no. 9
	Effectiveness of the implementation mechanisms	Section 7.2, 7.3, evaluation question no. 10
	Relevance	Section 7.4, 7.5, evaluation question no. 10
Economic growth and development	Increase market participation, increase diversification, improve economic performance	Evaluation question no. 1
	Development of small farms, new opportunities to capitalize on production, increase market coverage	Evaluation question no. 2
	Maintaining and setting-up of young farmers in the mountain area	Evaluation question no. 3
	The evolution of processing and marketing of agricultural products	Evaluation question no. 5
	Contribution to stopping the abandonment of agricultural land from mountain areas	Evaluation question no. 11
Social and cultural development	Improving people's living standards and social inclusion	Evaluation question no. 6, no. 10
	Conservation of cultural heritage	Evaluation question no. 7
Sustainable growth and development	Capacity to promote sustainable development Reducing emissions of greenhouse gases and ammonia	Evaluation question no. 4
	Sustainable forest management and biodiversity conservation	Evaluation question no. 8

Source: own elaboration of the evaluation team



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### *Transversal evaluation themes*

#### *Criterion: Type, size and sector of investment*

*Conclusions:* NRDP investment measures can be divided into two groups: the first includes submeasures with specific financial allocation and specific output indicators for mountain area (sM 4.1, 4.2, 6.1, 6.3, 7.2, 7.6) and the other group, submeasures which have the possibility to support projects, payments and investments for the development of mountain area, without having a specific allocation (4.1a, 4.2a, 4.3, 6.2, 6.4, 9.1, 16.4, 16.4a). Other measures are excluded from this description because they support the programme implementation (sM 1.1), consist in payments (M10, M11, M13), or on support to specific projects (sM 19.1, 19.2, 19.4).

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* – The programme should speed up the implementation of the measures which are less advanced in terms of implementation, addressing the main bottlenecks which hindered the programme implementation, by:

- 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 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.).

As to enhance the local market supply and to encourage the local management of the production chain, the programme could promote investments for the storage of cereals. Also, additional studies/analysis





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on the economic class of farms and type of investments, for instance by illustrating what is purchased (e.g. infrastructure, silos, tractors) and/or to highlight the average of the holdings wage, can be done.

*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. Although the NRDP does not provide specific measures for mountain areas except for compensatory support under M 13, addressed to the disadvantaged mountain areas, the Managing Authority has made significant efforts to address the specific needs of mountain areas during the programme implementation, by setting specific ad hoc performance indicators and by adding a dedicated budget allocation for sM 4.1, 4.2, 6.1, 6.3, 7.2, 7.6.

Moreover, the Managing Authority has promoted the implementation of the LEADER approach, through the cooperation with Mountain Area Agency, which, for instance, was actively involved in the selection of LDSs to be developed in mountain areas,.. Moreover, even if the resources for LDSs are perceived as low compared to other NRDP measures, LDSs have proved to be flexible policy instruments, since there is the possibility to be slightly updated during the current programming period, according to the new local communities needs.

Given these premises, it is clear that there are still contextual and structural factors negatively affecting the mountain areas economy and living standards that cannot be solved by NRDP alone, but through a synergetic implementation of different policies and financing sources. Nonetheless, NRDP can undoubtedly contribute to less favoured mountain areas development, through a strategy more tailored on mountain areas needs and through improving the communication activities addressed to potential beneficiaries, who seem to be still reluctant in submitting project proposals.

*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. Starting with the preliminary results of the NRDP, it would be of added value, for instance, to consider a substantial allocation of



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funds addressed to mountain area. To this end, it is advisable to promote a participatory process to involve current public and private beneficiaries so as to better define their needs and collect practical hints for the improvement of the implementation.

- 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.

The implementation of the NRDP indicates a general reticence and difficulty for the private sector in mountain areas to invest in agricultural holdings and in the processing, marketing and development of agricultural products and at the same time a high interest in the development of small farms and in the maintenance, restoration and modernization of cultural and natural heritage, rural landscapes, and sites of high natural value. Some measures indicate a higher contracting capacity (increased attractiveness) in mountain areas, such as 6.3 and 7.6, while others are showing progress towards achieving the final objectives, such as 6.1 and 7.2.

At the same time, farmers already benefiting from NRDP investments (mainly under sM 4.1, 4.2, 6.1, 6.2, 6.3) consider that the support is an opportunity to improve their business and achieve their goals without facing large administrative burdens, as most of them have requested aid from external consultants for filing in applications and payment requests.

In this context, the LAGs can generate added value both through the implementation of LDSs and through the provision of consultancy services following a recent agreement between the MA and DG AGRI which allows the promotion of advisory services (under Article 15 of EU Regulation 1305/2013) under M19 - LEADER. The MA supports LAGs in the selection, monitoring and evaluation of LDS projects through the guidelines, as well as thematic meetings. However, LAGs in the mountain areas that have participated in the survey consider that some tasks are somehow difficult (drafting financing applications, evaluating project proposals, and checking payment receipts).

*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 (for example, during the focus group it was underlined that in the call for proposals that will be launched in 2018



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for sub-measure 4.2, there will be a 20% increase in the support rate offered to cooperatives investing in processing. This can be mentioned as a good practice (to be monitored in the near future based on ad hoc criteria) 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 unit costs of projects in terms of EAFRD funds and public budget for sM 4.1, 6.3, 6.4, 19.1 are similar between mountain areas and non-mountain areas.

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.

*Recommendations* –The programme authorities should monitor over time the costs of finalised projects from mountain and non-mountain area, to see if the finalised projects in the next future will be costlier than the already finalised ones.



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### *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.

The effects are mainly verifiable for beneficiaries of sM 4.1 that have already finalised the investments (finalised projects), while for beneficiaries of submeasure 4.1a (fruit sector) the new market opportunity is considered a future possibility.

In parallel, the increase of overall turnover is greater for the beneficiaries of sM 4.1 compared to the beneficiaries of sM 4.1a.

The positive effects of the investments are also confirmed by the case study conducted in Lemnia. The project demonstrates that the Romanian domestic market offers a great opportunity for the development of traditional sectors and that the approaches for developing and increasing operability of the local supply chains are very important. In any case, the analysis of selection criteria (see section 7 of the study) shows that food chains have a lower level of development in mountain areas than in the rest of the country, and that additional steps are needed to reverse this trend.

In the near future, in mountain areas, the new partnerships built within sM 16.4 and 16.4a should generate positive (economic and social) effects on the local community. The higher average size of partnership in mountain areas compared to non-mountain areas and the greater number of farmers involved are key starting points for the continuous development of the sector and to the increase of market participation of agricultural holdings.

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. Usually, local farms sell their products as merchandise for retail chains and, rarely, directly to local restaurants or other grocery stores. Only a few are certified organic farms and only rarely the primary products are processed into food. In any case, it is necessary to continue promoting diversification, and the sub-measures that do so are of prime importance in mountain areas.

##### *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.



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*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. In Romania, as in other countries, the small size of farms has influenced farmers' strategies for growth and diversification. Specialisation has been pursued by a minority of farms because of their inability to reach viability, considering their limited size. 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. Consequently, the pluriactivity is the most common form of farm diversification despite the limitations of the local market.

*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. Moreover, the programme could finance the elaboration of a study to redefine and update the classification of areas with tourism potential and to use the existing development potential of diversification.

*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.

SM 6.1 is an effective measure in terms of opportunity to find a job in mountain areas and to improve the business activities.

Both sM 4.1 and 6.3 support the farmers (in many cases young farmers) in staying in mountain areas. However, the small-size farms have a bigger share in mountain areas, compared with non-mountain areas and so it is important to define a strategy to ensure the sustainability of new jobs.

*Recommendations* – The programme could:

- further support young farmers by giving the possibility to increase their knowledge 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* – Despite the limited implementation, sM 4.2 has contributed to increasing market participation and to the diversification of agriculture, while sM 4.1 has contributed to improving economic performance and enhancing the competitiveness of beneficiaries.

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.



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*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;
- The implementation of training and informative activities at local level through M1 and M2;
- The implementation of the financial instrument in order to facilitate the access to credits and increase the submission of projects under sM 4.2.

*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. In any case, the investments done through NRDP (submeasures 4.1, 6.1, 6.3) and the payments to compensate the areas with natural constraints (measure 13) are very important and necessary to reduce the abandonment of land in mountain area.

*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.

Moreover, a full assessment of the programme contribution to stopping the abandonment of mountain areas will be possible as soon as the programme implementation is more advanced.

*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.

LAGs and related LDSs funded under M19 should encourage social inclusion by favouring projects that foresee specific measures addressed to vulnerable groups. To this end, some LAGs have already



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adopted tailored selection criteria. However, the low degree of implementation of M19 does not allow for a deepening of the thematic on social inclusion, which needs to be further explored in the near future, being a specific priority for rural development in the current programming period.

### *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;
- Promote a specific analysis on how LEADER has contributed to social inclusion, during the next phases of the programme implementation;
- As this theme is specifically addressed by Priority 6, it is advisable to adopt specific selection criteria aimed at stabilizing the capability of all measures within the same priority in promoting social inclusion, poverty alleviation and economic growth. Examples of such selection criteria could be: involvement of young people / women / minority groups in projects under Measures 2, 4 and 6; promoting small-scale infrastructure to improve the mobility of people with disabilities in villages and / or mountain routes under Measure 7. The results could be monitored through the following selection criteria: increasing the involvement of young people / women / minority groups in non-agricultural activities under sub-measure 6.2; the recent increase in revenue generated under measures 4 and 6 for farmers in mountain areas; improved access to mountain villages and tourist destinations for people with disabilities.

### *Criterion: preservation of cultural heritage in mountain area*

*Conclusions* – The mountain areas possess a very rich natural heritage, with natural sites having cultural objectives and physical, biological or geological formations. Cultural and natural heritage in mountain areas are thus intrinsically linked.

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.

Preliminary and expected effects relate to the increase of non-agricultural activities and enhanced tourist attraction.

- *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.



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Moreover, the programme could develop new uses for cultural heritage, not only to preserve but also to innovate for improved presentation and transfer, especially to younger generations. This can help to answer the needs to better capitalise on the cultural heritage in mountain areas by changing the context and creating added value not only for the tourists, but also for the local people.

*Thematic: Growth and sustainable development*

*Criterion: Reduction of GHG and ammoniac emissions and climate change adaptation in mountain areas*

*Conclusions*

- Implementation. 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.
- Positive contribution to reducing GHG emissions. NRDP has contributed to the reduction of greenhouse gas emissions in mountain areas, increasing the surface areas under commitments within sM 10.1. Not all packages were accessed yet. NRDP has stimulated innovation in mountain areas through sM 4.1, 6.1 and 6.3, contributing to the reduction of GHG emissions. This contribution (or at least its estimated value) cannot be accurately quantified/ estimated on the basis of administrative data, due to the lack of adequate selection criteria, which should explicitly consider, as a principle for the selection of operations, parameters such as reducing energy consumption or reducing nitrate emissions (for more details, see the table below).

Type of investments	Criterion	Priority given to the criterion in the selection of the operation
Energy production systems	Increase in renewable energy production at farm or area level, biomass, solar, wind and geothermal energy (unit Kw).	High





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Type of investments	Criterion	Priority given to the criterion in the selection of the operation
Energy saving	Absolute decrease over the period in consumption of fossil energy at farm or area level (unit: tep).	High
GHG emissions reduction	Absolute decrease over the period in GHG emissions in agriculture*, at farm or area level (unit: Co2eq)	High
Tangible and intangible sustainable investments	More efficiency in the production process at farm or area level (unit: energy per unit of product / per hectare; emissions per unit of product/per hectare)	Medium
Tangible and intangible sustainable investments	Introduction of green-technologies, standards or eco-practices in farming processes	Indirect
Land management	Change in land use patterns (towards a sustainable use of soils) at farm or area level (unit: hectare)	Indirect

Legend:

High: significant and direct contribution to mitigation of climate change; medium : potential reduction in GHG emissions; indirect : conditions for change in GHG emissions.

\*: CO<sub>2</sub>, N<sub>2</sub>H, CH<sub>4</sub>

- Lack of relevant information on sM 4.3. There are no solid findings (based on administrative data and the questionnaire survey) on the quantitative estimation of the actual contribution of sM 4.3 to the reduction of greenhouse gas emissions.

*Recommendations*

- Implementation. 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.
- Positive contribution to reducing GHG emissions. It could be useful to introduce selection criteria based on the principle of GHG and ammonia reduction for sM 4.1, 4.3, 6.1 and 6.3. This could increase the emphasis of the contribution of these measures to reduce GHG emissions, and ensure an estimation of expected GHG reduction.
- A specific study could be launched to evaluate the actual contribution of sM 4.3 - Investments for the development, modernization or adaptation of agricultural and forestry infrastructure (related to road construction) to climate change mitigation.



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*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 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. However, there is strong control over the project before applying for support, to ensure its high quality. The administrative problems encountered in the previous session were addressed by the administrations involved. The low degree of participation under sM 15.1 can be partly explained by the need of the beneficiaries for having appropriate knowledge about the sub-measure, for implementing the commitments or preparing the project.

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 (support and/or training for farmers to keep records of agricultural activities, to fill in an agri-environmental report which proves to be difficult for small-scale farms).

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). An important element should be to announce and advertise the launch of the submission sessions sufficiently in advance, before the opening of the session, so that potential beneficiaries can prepare the technical documentation needed to request the support; if there is an adequate period of time before the launch of the session where all the elements necessary for the preparation of technical projects are known; the Forest Guard could also be involved in awareness-raising campaigns on supported interventions among the population, and implicitly among potential applicants.



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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.

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## Annexes

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