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ȘI DEZVOLTĂRII RURALE

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 I – AIR 2016

Executive summary

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1. Introduction

The on-going evaluation of the NRDP seeks to analyze the effectiveness (the extent to which the objectives have been met), efficiency (the optimal relationship between the resources used and the results obtained), relevance (the extent to which the planned objectives are in line with the needs, problems and various other issues 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.

During the evaluation activities, the team of experts used both qualitative and quantitative analysis methods and techniques that substantiated the answers to the common and specific evaluation questions and allowed the development of the conclusions and recommendations presented in the evaluation report.

Data underlying the first on-going evaluation study reflect the NRDP 2014-2020 state of until the 31st December 2016.

2. Evaluation context

The overall objective of the Evaluation Study I is to assess the relevance, effectiveness and efficiency of interventions of the NRDP, as well as the impact and success or failure of the programme. Achieving the overall objective represents an analysis of how the rural development programme responded to Romania's current needs, as well as the extent to which the programme has contributed to the priorities set at EU level.

The evaluation study I is provided for the elaboration of the consolidated AIR 2016 and contains answers both to the common evaluation questions for NRDP no. 1-20, as well as to the specific evaluation questions for NRDP no. 1-15.

In accordance with the provisions of the Common Monitoring and Evaluation System, 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 following a public procurement procedure. The service contract regarding the On-going evaluation of the National Rural Development Program 2014-2020 in the period 2017-2020 was signed on April 5, 2017 and has a duration of implementation of 46 months, of which 43 months for the implementation of project activities and 3 months required to make the final payment, according to the instructions for payment and for the last payment installment.

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

Figura nr. 1 Methodological phases of the on-going evaluation



3. Methodology

During the evaluation process the team of experts used both **primary and secondary data sources**.

Regarding the **primary data sources** used to elaborate the first on-going evaluation study of NRDP 2014-2020, data were collected by:

- Questionnaire survey to collect the necessary information for calculating the complementary result indicators;
- Semi-structured interviews with key actors involved in the management, implementation and monitoring of NRDP 2014-2020;
- Questionnaires for conducting case studies to collect qualitative and quantitative information on project implementation and preliminary programme effects;
- Focus groups to present and discuss the results of the evaluation obtained on the basis of the above-mentioned tools.

The **secondary sources** used for data collection were FADN data and data from the programme monitoring system.

Questionnaire survey

The questionnaire was used to calculate the values achieved for the five complementary result indicators defined in the Fiches for providing answers to the common evaluation questions for rural development programmes 2014-2020. The five complementary result indicators are identified below:

Related focus area	Complementary result indicator		
2A	R2	Change in Agricultural output/AWU	Modificarea producției agricole a fermelor sprijinite/unitate anuală de timp de muncă
5A	R13	Increase in efficiency of water use in agriculture in RDP supported projects	Creșterea eficienței utilizării apei în agricultură în proiectele sprijinite prin PNDR

Related focus area	Complementary result indicator		
5C	R15	Renewable energy produced from supported projects	Energia din surse regenerabile produsă prin proiectele sprijinite
5D	R18	Reduced emissions of methane and nitrous oxide	Reducerea emisiilor de metan și de protoxid de azot
5D	R19	Reduced ammonia emissions	Reducerea emisiilor de amoniac

In order to collect the data needed to calculate the complementary result indicators, the random statistical selection was used. Because the total population was small, simple random selection was used.

Considering the size of the total population, partial observation, namely the use of a statistically representative sample and the extrapolation of the results obtained in the whole population, was used for the calculation of the complementary result indicators R2, R13, R18, R19. For the complementary result indicator R15, given the low number of projects completed by December 31, 2016, it was proposed the total observation, ie the analysis of all the projects finalised by December 31, 2016.

Semi-structured interviews

The collection of qualitative data was carried out through 12 semi-structured interviews conducted between May 23 and May 29, 2017. The interviews were held face to face or by phone, the key actors involved being:

- Representatives of the Managing Authority (8 interviews);
- Other key actors in the programme management system: AFRI (1 interview)
- Key actors in the economic field: National Federation of Producers from Agriculture, Food Industry and Connected Services in Romania - PRO AGRO (1 interview);
- Academic field: Research and Development Institute for Fruit Sector Pitesti - Maracineni (1 interview);
- Other relevant actors for the environmental sector (1 interview): Ministry of Environment, Biodiversity Directorate.

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 carried out between May 29 and June 8, 2017 by applying questionnaires to the beneficiaries.



The case studies focused on projects with main contributions on various focus areas. The state of implementation of the various measures at the level of the NRDP 2014-2020 was considered in determining the scope of the case studies.

Focus groups

Another method for collecting qualitative information was represented by focus groups. Thus, on June 7, 2017, 4 focus groups were organized and conducted in order to complete the information gathered through questionnaires, case studies and interviews and to answer to the evaluation questions related to the Focus Areas under Priorities 2, 4, 5 and 6.

4. Description of the programme, measures and the corresponding budget, according to the specificity of the evaluation study

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

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

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

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

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

5.1. Programme effectiveness

At the end of 2016, NRDP shows a rather poor level of implementation, from all the procedural, financial and physical points of views.¹

The delays in launching several of the measures foreseen have affected the degree of effectiveness of the Programme.

Even if specific targets for the end of 2016 were not established, the level of expenditure is low and the level of achievements of indicators is in many cases unsatisfactory, with worries that in some cases may arise for the achievement of the mid-term targets established in the performance framework.

Two aspects are anyway worth underlying in order to better represent a situation which, in the opinion of the evaluators, still needs very important efforts from the management system to improve the performance of the Programme:

- a very important part of the current achievements of PNDR has been guaranteed by the transitional projects inherited from the previous programming period. This is true from the procedural, financial and also physical point of view. NRDP 2014-2020 has shown little results, beyond those for which its 2007-2013 parent had paved the way;
- the current level of effectiveness of the programme seems too much linked with the success of a few measures/Focus area; data, as well as our qualitative sources, do not show a comprehensive functioning of the programme, but rather a very much diversified situation, in which some success compensate, for the moment, worrying blocks and delays.
- the difficulties of implementation of the programme appear more related to external and contextual situations, rather than to internal problems of the delivery procedures – which the management system has demonstrate to be able to handle (see reply to SEQ 4). Observers agree in identify the main implementation problems in the changes of the legislation (public procurement in the first place), the structural, historical problems related

¹ The procedural implementation is represented by the level in which the programme has managed to open the calls related to its measures, respectively activate the procedures of submission, selection and funding of funding application, and produce concluded projects; the financial implementation is represented by the achieved level of commitments and expenditure compared to the financial allocations for each measure of the programme; physical implementation is represented by the level to which the programme is heiving its output and results indicators.



to the land property registration in the country, the credit market and the related co-financing problems for the beneficiaries.

5.2. Programme efficiency

The level of implementation of the programme is too low for a comprehensive and meaningful analysis of the efficiency of its expenditure.

The low number of projects finalized and its concentration on few measures suggest to wait for a more advanced implementation in order to draw any conclusions.

To a more general extent, the administrative efficiency of the Programme management and implementation system can start to be assessed, at least based on some qualitative sources and methods. As illustrated in the answer to SEQ 4, interviews with actors from the management system and stakeholders – as well as the results from the surveys with beneficiaries – show a general positive image of the management system, its efficiency and its improved capacity of reducing the administrative burdens on beneficiaries compared to the previous programming period.

Important innovations like the adoption of the on-line application system and the progressive introduction of the Standard Cost Options are producing their effect, managing to partly compensate the blockage that have affected the expenditure of the measure of Technical assistance, from which beneficiaries and stakeholders still await the crucial projects having the most important impacts on administrative efficiency and reduction of administrative burdens.

5.3. Relevance of the programme

The relevance of the Programme with the needs of the rural territory of Romania, its internal consistency and its external consistency with the EU priorities in the field of rural development were assessed with the ex-ante evaluation, at the moment of the first submission of NRDP to the approval of the European Commission.

By the end of 2016, NRDP has been modified 3 times, to arrive at its version 4, in force since November 2016.

None of these modifications have had a scope as such as to modify the relevance of NRDP interventions, compared to the initial version submitted to the ex-ante evaluation.

On the other hand, in the first two years of implementation, there have not been relevant changes in the economic and social context which would require a re-assessment of the relevance of the programme intervention.

6. Conclusions and recommendations

6.1 Conclusions and recommendations on priorities / areas of intervention

Priority 1

Conclusions

- FA 1A: Taking into account these delays, training and consultancy services as well as cooperative initiatives have been adequately planned and shared with partners and potential beneficiaries
- FA 1B: At this stage of the programming period, it is not possible to quantify the extent to which the programme has favored cooperation in rural areas as there is no progress registered for M16.
- FA 1C: Measure 1, which contributes directly to the achievement of objectives for FA 1C, has been significantly delayed in implementation. Until 31.12.2016 two calls for projects were launched, but no projects were selected / contracted.

Recommendations

- FA 1A: Based on previous experience, it is necessary to **further develop communication activities** towards potential beneficiaries in order to increase their awareness of the importance of training and counseling services to improve performance
- FA 1B: Considering that no project was funded under M16 until the end of 2016, it is essential to speed up the launch of calls for proposals and the selection process;
- FA 1C: In order to respond to the training needs identified by the programme and regularly monitored by the MA, it is essential to speed up the publication of calls for proposals and the follow-up selection process

Priority 2

Conclusions

- **FA 2A:** Despite the difficulties encountered in the 2007-2013 implementation period (M112, M121 and M125 under Axis 1), also highlighted in the ex-post evaluation, the current state of implementation of FA 2A measures (with exception of measures 1 and 2) can be considered as having positive elements due to the new projects but also to those in transition, which in some cases are very relevant (sub-measures 6.3 and 4.3).
- **FA 2B:** The decrease in the number of young farmers in Romania is a problem that could be solved by measure 6.1, which has a good performance in achieving the targets.
- **DI 2C+:** Increasing and maintaining forest sustainability is a critical issue for the development of the forestry sector in Romania. Therefore, the main objective is not only to achieve the

objective related to the length/coverage of forest roads, which can be easily achieved with regard to new projects, but by finding ways to improve the performance of public spending.

Recommendations

- FA 2A: Redefining the selection criteria for the sub-measure 4.1 - field crop sector to allow funding of quality projects also in other agricultural sectors and to reduce over-submission.
- FA 2B: Facilitate the possibility of ensuring the co-financing rate for applicants accessing investment measures; Encouraging beneficiaries by simplifying administrative procedures.
- FA 2C+: At present, the construction of new forestry roads and the renewal / upgrading of existing roads have a common budget. It is recommended to split the financial allocation of within the forestry component by delimiting the actions for the establishment of new forest roads and modernization of the existing forest roads.

Priority 3

Conclusions

- **3A:** Until 31 December 2016, the achievement of the NRDP's goal to support primary producers by better integrating them into the agri-food chain through quality schemes is low, with a small number of projects being finalized under Measures 04 and 16.
- **3B:** Sub-measures 17.2 and 1.2 have not been launched, therefore, there are no effects on the prevention and management of risks at farm level.

Recommendations

- 3A: Give priority to the promotion of the use of financial instrument in order to facilitate access to credits and increase the submission of projects within the SM 4.2.

Priority 4

Conclusions

- 4A : There seems to be a lack of awareness of the link between agricultural practices and biodiversity, especially with regard to M13. There is also a problem with the attractiveness of M10 and M11, while M15 has not yet reached the implementation phase.
- 4B: A significant reduction in the use of pesticides and fertilizers is reported by the beneficiaries surveyed, especially in M11 on the conversion and maintenance of organic farming practices.
- 4C: There is a contribution of packages and sub-measures in M10, 11 and 13, in contrast to soil erosion phenomena and towards improved soil management in general.

Recommendations

- 4A : In general, the efforts of the MA and the agencies to simplify the rules and procedures / requirements for access to measures under FA 4A should be pursued and reinforced,

including better cooperation between ministries and agencies involved in environmental and climate issues.

- 4B : Promoting information / training and advice activities on best agricultural practices - in line with the commitments and practices of M10 and 11 - for an efficient use of water within the farm / work area.
- 4C: It would be useful to promote information / training and advisory services on best agricultural practices in combating soil erosion (and improving long-term soil management) at the level of areas covered by the commitments, especially for M13 beneficiaries.

Priority 5

Conclusions:

- 5A : Implementation of the NRDP has positive effects on improving the efficiency in water use, especially through sub-measure 4.3.
- 5C: The low level of implementation of the measures contributing to this FA does not allow a significant quantification of the contribution of Measure 6 to renewable energy production.
- 5D : There is a real problem in limiting GHG emissions from agricultural activities. Despite the limited level of expenditure commitment and target achievement to date, the scope of the intervention has influenced GHG emissions (reported by complementary result indicators 18 and 19), which mainly correspond to the increase in the number of animals at beneficiary farm level.
- 5E: The state of implementation is limited and does not ensure a full assessment of the contribution of the measures to the objectives of the focus area.

Recommendations:

- 5A: simplification of the criteria set out in the Programme for payments under Package 5 (M10), to make funding more accessible to beneficiaries; redefine / extend the intervention for investments in irrigation infrastructure, taking into account the provisions of art. 46 of Regulation no. 1305/2013;
- 5C: At this stage of implementation, the recommendations mainly refer to further simplification of the implementing rules (clear eligibility conditions and eligible costs) and refer to the provision of more information tailored to the beneficiaries' profile and to more information channels targeting potential applicants for the opportunities founded through NRDP, in the field of renewable energies.
- 5D: Further simplification of administrative procedures for the livestock and manure management measure (eg documentation requests, approval rules) and deadlines for applicants / beneficiaries; promotion / information of lower-emission manure management systems, provision of technical assistance (guidance, training) and advice to beneficiaries / applicants (ie promotion of the best available technologies);
- 5E : increasing the amount of annual compensatory payments included in support under the measure by including income loss and other Pillar I payments as well as other payments that farmers would have received if they had maintained the land in the agricultural circuit.

Priority 6

Conclusions:

- 6A: Projects funded under SM4.2 and SM6.4 have clearly contributed to the achievement of FA 6A objectives by promoting the diversification of the rural economy and creating new job opportunities.
- 6B : The analysis of the first achievements of the measures and sub-measures contributing to FA 6B highlights a particular interest of the MA, relevant stakeholders and beneficiaries in local development strategies.

Recommendations:

- 6A: Limited financial resources are one of the main issues that prevent achievement of the expected results of FA 6A. Therefore, a **financial reallocation** is essential in order to address the beneficiaries' needs, taking into account the budgetary coherence of the program.
- 6B: Reprogramming the financial allocation in order to better accommodate the needs of beneficiaries and territories, taking into account the internal coherence of the general budget of the programme. To this end, it is also essential to update the analysis of the needs of the territories and beneficiaries in order to ensure the efficiency of the funded operations;

6.2 Conclusions and recommendations on specific and horizontal issues

Innovation

Conclusions: Most of the projects in SM 4.1 (FA 2A) and SM 6.1T (FA 2B) have had positive effects on innovation. The case studies applied on projects related to SM 19.2 (FA 6B) indicate that stimulating innovation is one of the most common objectives of LDS

Recommendations: Improve the flexibility of national legislation aimed at securing the necessary loans to ensure the co-financing rate in innovative projects.

Environment protection

Conclusions: The interventions implemented through the NRDP report a significant contribution to the environmental protection at this stage of implementation. In addition to intervention areas with direct environmental effects (related to Priorities 4 and 5), other measures also contribute to maintaining or improving the environment.



Recommendations: Promoting the systematic integration of environmental issues in the program's intervention logic by adopting eco-selection criteria, informing and training applicants and beneficiaries and disseminating guides and textbooks.

Climate change mitigation

Conclusions: NRDP contributes to climate change mitigation. The contribution (unquantified) to reducing greenhouse gas emissions from agricultural practices and reducing energy consumption (including the introduction of renewable energy) can be negatively balanced by the increase in greenhouse gas emissions caused by livestock breeding.

Recommendations: Supporting the implementation of forest management measures, with a view to making GHGs sequestration more efficient.

Delivery mechanisms

Conclusions: Innovative solutions adopted in delivery procedures (in particular on-line application system and submission system over the year) significantly improved the efficiency and effectiveness of the implementation system, compared to the previous programming period, generating a positive perception amongst stakeholders and beneficiaries;

Recommendations: Financial instruments should be launched in a swift manner to provide support to potential beneficiaries in accessing the programme with a more complete range of solutions for accessing credit and providing the co-financing;

Fruit-tree sector

Conclusions: The fruit tree sector is a new and specific area that has not yet reached its level of maturity. Since the number of submitted projects and contracts has been very low so far, it cannot be drawn a conclusion regarding the extent to which the fruit sector has been stimulated by the NRDP interventions.

Recommendations: Supporting the production of certified seeding material at national level, which seems to be a relevant issue for project admission (increased planting costs);

Gender equality and non-discrimination

Conclusions: The first period of implementation of the NRDP was not affected by any direct or indirect discrimination, generated by the implementation procedures. However, the extent to which the programme has actively promoted gender equality and non-discrimination has decreased compared to the previous programming period.



Recommendations: Implementation procedures should be revised to introduce at least a formal commitment of all beneficiaries to respect the principles of gender equality and non-discrimination in project implementation, regardless of the typology of the measures;

Sustainable development

Conclusions: Sustainable development, especially its environmental pillar, is a cross-cutting theme within the NRDP. Nonetheless, measures that do not directly address environmental issues support, in general, sustainable development only in a limited way.

Recommendations: Promote the systematic integration of sustainable development issues into the programme's intervention logic, through the adoption of eco-selection criteria, information and training of applicants and beneficiaries and the dissemination of guidelines and textbooks.

Climate change

Conclusions: Climate change objectives are generally observed in the implementation of the NRDP. Reduction of energy consumption and increase of renewable energy are achieved.

Recommendations: Promoting synergies between innovation measures and climate change objectives.

Partnership principle

Conclusions: The partners contributed to this initial implementation stage of the NRDP to a satisfactory extent, with a higher intensity than in the previous programming period, due to increased institutional importance and increased involvement in operational decisions.

Recommendations: Launching important capacity-building initiatives for partners as they are described in the Technical Assistance measure but not yet activated due to general difficulties hindering this measure;

Technical Assistance

Conclusions: Technical assistance activities face serious delays in implementation, despite the considerable importance of this type of support in knowledge transfer, in improving management, administrative and implementation capacities, and generally in ensuring adequate and effective development of the NRDP.

Recommendations: Updating the technical assistance needs for both the MA and the Programme partners to ensure that any changes compared to the initial programming are detected; Simplification of implementing rules (public procurement, payments, control, etc.) should also be considered to speed up the selection and contracting of projects.



NRDN

Conclusions : In 2015, the NRDN was created in line with EU regulatory requirements regarding its objectives, means of implementation and timeframe. Since then, the Network has developed the appropriate communication strategy and tools by participating in national and European events to provide information on funding opportunities, including procedural issues in order to assist potential beneficiaries in drafting project proposals.

Recommendations: NRDN plays a key role in stimulating knowledge, information and innovation in rural areas, as well as in promoting the effective development of local strategies through networking, so procedures for the selection of economic operators need to be carried out in a timely manner in order to be able to provide prompt and timely support to applicants and beneficiaries;