



MINISTERUL AGRICULTURII ȘI DEZVOLTĂRII RURALE

DIRECȚIA GENERALĂ DEZVOLTARE RURALĂ  
AUTORITATEA DE MANAGEMENT PENTRU PNDR



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Evaluation of under-accessed  
measures in the framework of  
NRDP 2014-2020

*SUMMARY*








## EXECUTIVE SUMMARY

The National Programme for Rural Development (NRDP) 2014–2020 is the programme providing grants offered by the European Union and the Government of Romania for the economic and social development of rural areas in Romania.

NRDP is funded under the European Agricultural Fund for Rural Development (EAFRD) and supports the strategic development of the rural area by a strategic approach to the following objectives:

-  OS1 Restructuring and increasing farm viability
-  OS2 Sustainable management of natural resources and tackling climate change
-  OS3 Diversification of economic activities, creation of jobs, improvement of infrastructure and services for improving the quality of life in rural areas

The *Evaluation of under-accessed measures under the NRDP 2014-2020* aims to contribute to a better targeting of rural development support and to support the process of its implementation so that all stakeholders get information able to bring added value to the implementation process.

The evaluation methodology was based on (i) the analysis of documents, carried out at the level of NRDP and the procedures / financing mechanisms used, as well as at the level of (sub) measure / project analyzed in depth, (ii) AFIR (national, regional and local), APIA (national and local), beneficiaries, applicants, potential applicants and members of the Monitoring Committee (77 interviews compared to 42 planned), 3 focus groups with representatives the beneficiaries of the NRDP (sub-measure 6.3 ITI, the consultants and the fruit sector in Romania), as well as (iv) surveys among the beneficiaries of the NRDP and consultants. The data thus collected (through documentation, interviews, surveys and focus groups) were triangulated for the purpose of analyzing and conducting the evaluation, processes that resulted in the conclusions and recommendations presented below.

The least accessed NRDP 2014-2020 measures analyzed under this evaluation are the following:







1. Sub-measure 1.1 "Support for vocational training and skills acquisition actions"
2. Sub-measure 1.2 " Support for demonstration projects/information actions"
3. Sub-measure 2.1 "Support to help benefitting from the use of advisory services"
4. Sub-measure 3.1 "Support for new participation in Quality Schemes"
5. Sub-measure 4.2a "Investments in processing/marketing of products in the fruit-growing sector "
6. Sub-measure 4.2a "Investments in processing/marketing of products in the fruit-growing sector " - ITI Danube Delta
7. Sub-measure 6.3 "Business start-up aid for development of small farms" - ITI Danube Delta
8. Sub-measure 6.5 "The small farmers scheme"
9. Sub-measure 8.1 "Support for afforestation/creation of woodland"
10. Sub-measure 9.1 "Establishment of producer groups"
11. Sub-measure 9.1a "Establishment of producer groups in the fruit-growing sector"
12. Measure 10 "Agri-environment and Climate" - packages 1, 2,5,9,10,11
13. Sub-measure 15.1 "Payments for forest-environment commitments"

The public allocation of NRDP 2014-2020 for these (sub) measures amounts to 1,435,565,280 euro, representing approximately 15% of the total allocated funds. Only under sub-measures 1.1, 2.1, 4.2a, 6.3 ITI, 6.5, 9.1 were projects under implementation at the cut-off date of the evaluation (October 2018). For Measure

10, payments in the amount of 158,475,835 euro (15% of the available public allocation of Measure 10) were made in October 2018.

It is important to underline that all measures analyzed are largely relevant, therefore they correspond to needs (territorial/environmental, of potential beneficiaries), so their implementation is still necessary in order to achieve the objectives set by NRDP. The causes that led to poor access to these measures are multiple, specific to the sub-measures themselves, transversal (affecting several or all of the measures under consideration) or context-related (out of control of the MA NRDP). The challenges relate more to interventions' logic, the capacity of potential beneficiaries, procedures applied and interventions' context.

The main specific causes at sub-measure level/groups of identified sub-measures that prevented access to the NRDP and adversely affected its attractiveness were:

-  *The insufficient capacity of the Romanian supply side of training / specialised services to implement activities such as those requested under sub-measure 1.1 but also 2.1. The involvement of trainers in line with requirements set by MA NRDP implies access to human resources outside the country at higher costs.*
-  *A series of incompatibilities in the intervention logic of some measures negatively affected the feasibility of the implementation (in other words, the measure is necessary, but its implementation strategy is less suit for purpose, to a certain extent). For example, under sub-measure 3.1 only farmers are eligible, while processors are more interested and their activity is better suited to adhering to the groups that have proposed in Romania products recognized according to the European quality schemes. However, such incompatibilities derive in many cases from the conditions established at European level, by Regulation 1306/2013.*
-  *In the case of ITI measures, implementation was hampered by the late endorsement of the *Integrated Strategy for the Sustainable Development of the Danube Delta* and the, subsequently, late launch of the calls for dedicated projects (NRDP was, however, among the programmes most open to an ITI-specific approach). In this context, the diagnostic analyzes supporting SIDDD could not have been corroborated at all times with the needs identified by NRDP and thus some ITI sub-measures provided by the NRDP were not relevant compared to the specific situation in the area.*
-  *The low intensity of support (50-10%), in the context of complex projects with large budgets and high borrowing costs (which is not available anyway for small farmers or start-ups).*
-  *Most of the conditions for packages 5, 9, 10, 11 of Measure 10 have been difficult to meet, in particular maintaining the 5-year commitments, ensuring crop rotation (where applicable), uncultivated/ surfaces/plots where harvesting is not allowed. The medium/long-term uncertainty involving the conversion of land (agricultural in the case of Package 11.1.1) where there is no clear picture of funding conditions after the current programming period has contributed to the lack of of the attractiveness of these packages. On the other hand, it is necessary to test the feasibility of new measures/packages in advance in order to identify possible obstacles and additional measures needed to stimulate access (e.g. through a "mini"-ex-ante evaluation and/or direct consultation with potential beneficiaries). For Measure 10, the impact of APIA controls carried out by remote sensing in terms of penalties (i.e. that are applied retroactively and for the entire declared area) had a clear negative effect on the attractiveness of Packages 1 and 2.*
-  *Particularities of some target groups (e.g. small farmers for sub-measure 6.5) require a customised approach. Under sub-measure 8.1, socially and ecologically increased relevance is not sufficient to persuade landowners to abandon farm production and subsidies received for agricultural holdings.*

The main cross-cutting causes that prevented access to the funds available through the NRDP are:

- 📍 Delays in launching calls for projects raising general challenges in absorbing available funds, but also in terms of strategic planning and coordination between the implementation process of synergic sub-measures (e.g. Measure 1 and 2, on the one hand, and beneficiary measures (6.1, 6.3, 10) on the other hand) or in correlation (Measure 4.1a and other measures in the fruit sector or (sub) measure 2.1 and 9.1/9.1a with regard to counseling for the establishment and development of associative forms in the agricultural sector).
- 📍 Recent measures taken by MADR for potential beneficiaries to benefit from more advantageous loans are delayed, provided that co-financing by means of loans at reasonable costs is a major challenge that contributes to the decrease in the attractiveness of the NRDP. However, we need to underline here that Romania is one of the few Member States putting in place such measures.
- 📍 Late/insufficient capacity of the institutions involved to prepare and manage the process of submission, evaluation and selection of single payment/project applications at the level of human resources (training and efficiency/increase in staffing) or technical (creation technical solutions for newly introduced measures/packages), especially in the case of new (sub) measures or (sub) measures implemented for the first time. This capacity is also needed in the form of MA / AFIR / APIA expertise centers for specific agricultural sub-sectors (e.g. fruit sector, beekeeping, planned and future programming, animal husbandry, agronomy, horticulture, economic engineering in agriculture) but also for strategic analysis and planning, especially if we take into account the insufficient specific expertise available in Romania (as the evaluation of sub-measure 2.1 revealed).
- 📍 Lack of a unitary, country-wide, safe Online Agriculture Register.

Given that the institutions responsible for the implementation of the NRDP have established cooperation protocols and are in constant cooperation with other relevant ministries/agencies, a limited number of legislative provisions hinders the implementation of the measures evaluated. However, not in all cases modifications are necessary but clarifying certain provisions and making available more support for their implementation by competent institutions would suffice. The important legislative amendments to be made include the Civil Code, which does not ensure that the beneficiaries of the NRDP have the right to use the area over the 5 years of the commitment (under Measure 10). It is necessary to modify the Civil Code in this respect (by establishing the right of use for 5 years, including in cases where the owner changes) in order to avoid sanctions resulting from the reduction of the eligible area without the fault of the beneficiary.

In the process of formulating and submitting applications no major problems were encountered, however accessing online platforms is rather difficult for beneficiaries without digital skills (small, elderly farmers). If APIA fully supports Single Payment Request submission, AFIR measures require additional support for these categories (especially in the case of measures offering low compensations e.g. 6.3, 6.5). The evaluation and selection process is long, including for simple measures and for which a limited number of applications are received (i.e. which do not even involve works, e.g. in the case of sub-measure 9.1, 10 months have passed since the submission of the grant application until the signing of the contract, when only 10 grant applications were received); the insufficient capacity of the evaluation institutions (e.g. APIA for the new measure 15.1 and 8.1) poses challenges to the implementation process. In combination with the late call launch, the lengthy duration of the evaluation and selection process has repercussions on the implementation of the projects, i.e. diminished target group, increased equipment prices and/or the equipment proposed in the application is not available on the market anymore. In this context, beneficiaries are put under pressure and renounce to selected project or even signed contracts which is a high risk for absorption at measure and programme level. The applicant's guide does not usually provide for the timeframe set by AFIR/APIA/MA for evaluating applications or making payments.

A key challenge in the implementation phase is the analysis of the technical blueprints, which is also lengthy. The timeline of payment requests (including for investment projects) were, to a large extent, in line with



the expectations of the beneficiaries. However, there have been delays in processing payment claims and making payments, also due to the fact that beneficiaries need more guidance on how to prepare these requests. The ability to request an advance greatly facilitates the implementation process.

On-line systems developed by APIA and AFIR have simplified all relevant processes (application, payment requests) but more information is needed on how they should be used, especially in the context of frequent legislative changes or even NRDP procedures. The technical problems of the on-line platform (in the case of AFIR - permanent or temporary) constituted important obstacles for applicants (in some cases applications could not be submitted due to system failures) or beneficiaries (uploading documents related to course participants under the conditions which platform did not allow the submission of excel documents).

The simplified approach of "standard unitary cost" (following the example of sub-measure 1.1 but also of Measures 8, 10 and 15, where it takes the form of compensatory payment) leads to streamlining the implementation process both from the beneficiary's perspective and from the perspective of MA/AFIR/ APIA. Although in the case of several measures and all the analyzed phases the NRDP procedures are considered partially bureaucratic, the number of documents that could be removed at this time is limited. On the one hand, the Managing Authority/AFIR/APIA already took many simplification measures (accessing existing databases for obtaining certain documents - ONRC, ANAF, on-line applications) and beneficiaries and non-beneficiaries (potential beneficiaries and rejected applicants) recognize that it is necessary to submit supporting documents for substantiating the application for funding and payment. On the other hand, it is necessary to use the possibility of requesting clarifications and minimizing the removal from the evaluation procedure of good quality projects on "form" grounds (e.g. failure to send a document exactly in the form requested, for example the bank identification form).

At an overall level, of the entire programme, the information made available by the MA and paying agencies has facilitate a medium-to-large knowledge of the mechanisms and implementation process of the European funds/measures evaluated. Each year, APIA runs a wide-ranging information campaign for eligible farmers that involves a comprehensive set of paper and electronic materials (brochures, posters, leaflets, guides) as well as on-site meetings in APIA centers as well as at the mayoralties of Territorial Administrative Units. In the case of some measures (i.e. where the target group has technical capacity, or use consultants and/or have specialized EU finance departments or the target group consists of consultants themselves), the level of information is higher (up to 86% according to the surveys conducted). The degree of information/understanding decreases in the case of small farmers, with little or no technical skills. Information activities, however, are rather generic and focus on passively transmitting information (via the Internet), to the detriment of the active (through face-to-face meetings, help desk) information activities.

The main recommendations resulting from the process of analyzing and evaluating the collected data and the issued findings are:

**Recommendation 1.** Timely preparation and better planning of project calls is necessary to facilitate the launch of relevant measures in a coherent manner that ensures the implementation of the planned activities and the achievement of the proposed objectives.

**Recommendation 2.** The appropriate and timely preparation of project calls depends on the capacity of the involved institutions (MA, AFIR, APIA) which has to be adequately supported by interventions funded under Measure 20, "Technical Assistance". In the context of preparing the next programming period, it is necessary to plan these technical assistance interventions and prepare public procurement documentation in the current year so that support teams are available in 2021.

**Recommendation 3.** At the same time, it is imperative that for the newly introduced measures (compared to the previous programming period), but also the measures involving third parties (such as the Forestry

Monitoring Service), more comprehensive consultations with the involved actors (especially potential beneficiaries) is conducted, before launching them, in order to test the feasibility of their implementation (realism and attractiveness of the expected financing conditions, including the amount of the compensatory payments or the grant). These consultations could be carried out within/through thematic groups, which should play a more prominent role in monitoring the expected/achieved outcomes, in addition to focusing on operational issues (e.g. improving evaluation and selection criteria). This recommendation is more important for the Fruit Sector Thematic Group.

**Recommendation 4.** Closer collaboration between the NRDP MA and other MADR directorates (such as the General Directorate for Policies in the Food and Trade Industry, responsible for notifying traditional product schemes) but also with institutions outside the MADR (such as the Forestry Monitoring Service), as well as a broader intervention of the decision-making actors are needed, in order to create the premises for the effective implementation of measures that involve them (such as sub-measure 3.1 and 15.1).

**Recommendation 5.** New calls for projects (if taken into account), especially for measures involving complex projects (i.e. under which works are undertaken), should be launched in the very near future to ensure that the selected projects are completed on time. In this context, calls and related documentation should also contain substantial information on the MADR loan facilities recently launched by MADR in partnership with the EIF, so that potential beneficiaries can provide the requested co-financing. At the same time, calls should be accompanied by promotional actions aimed specifically and actively (through face-to-face meetings with potential beneficiaries) at stakeholders in the fruit sector (processors in the case of 4.2a).

**Recommendation 6.** Although the phenomenon of land fragmentation is declining, it is imperative to develop a mechanism to attract smaller (and older) farmers both in terms of investment measures (implemented by AFIR) and compensatory payments (implemented by APIA) considering their limited technical and financial capacity to access available funding sources (6.3, 6.5, 10, etc.). This mechanism may take into account the capacity of municipalities (mayoralties), which provide support documents for financing/funding applications, GALs that are closer to potential beneficiaries, agricultural chambers, existing associations, or even specialists (young people with technical abilities) assigned to a number of UATs that can inform and support, including for a fee, this category of applicants. This network could also be involved in supporting producer groups (setting up, operating, developing projects), especially given their importance also for the future CAP. Another solution to this challenge can be to set up a help desk to handle and address the information needs of beneficiaries/potential beneficiaries (funded under Measure 20. "Technical assistance").

**Recommendation 7.** It is necessary to reconsider the amount of the compensatory payments available under all the analysed measures (that involve these unit costs/payments) and their supplementation (where Regulation allows) to adequately reflect the costs and losses of the beneficiaries in order to motivate them to access that source of funding. Such a measure would, on medium term, boost the absorption of available funds at programme level, too.

**Recommendation 8.** Given that beneficiaries rely heavily on the support received from consultants, it would be necessary, from the perspective of the beneficiaries, to implement a way of recognizing the quality of advisory services that allows producers to select and contact competent consultants.

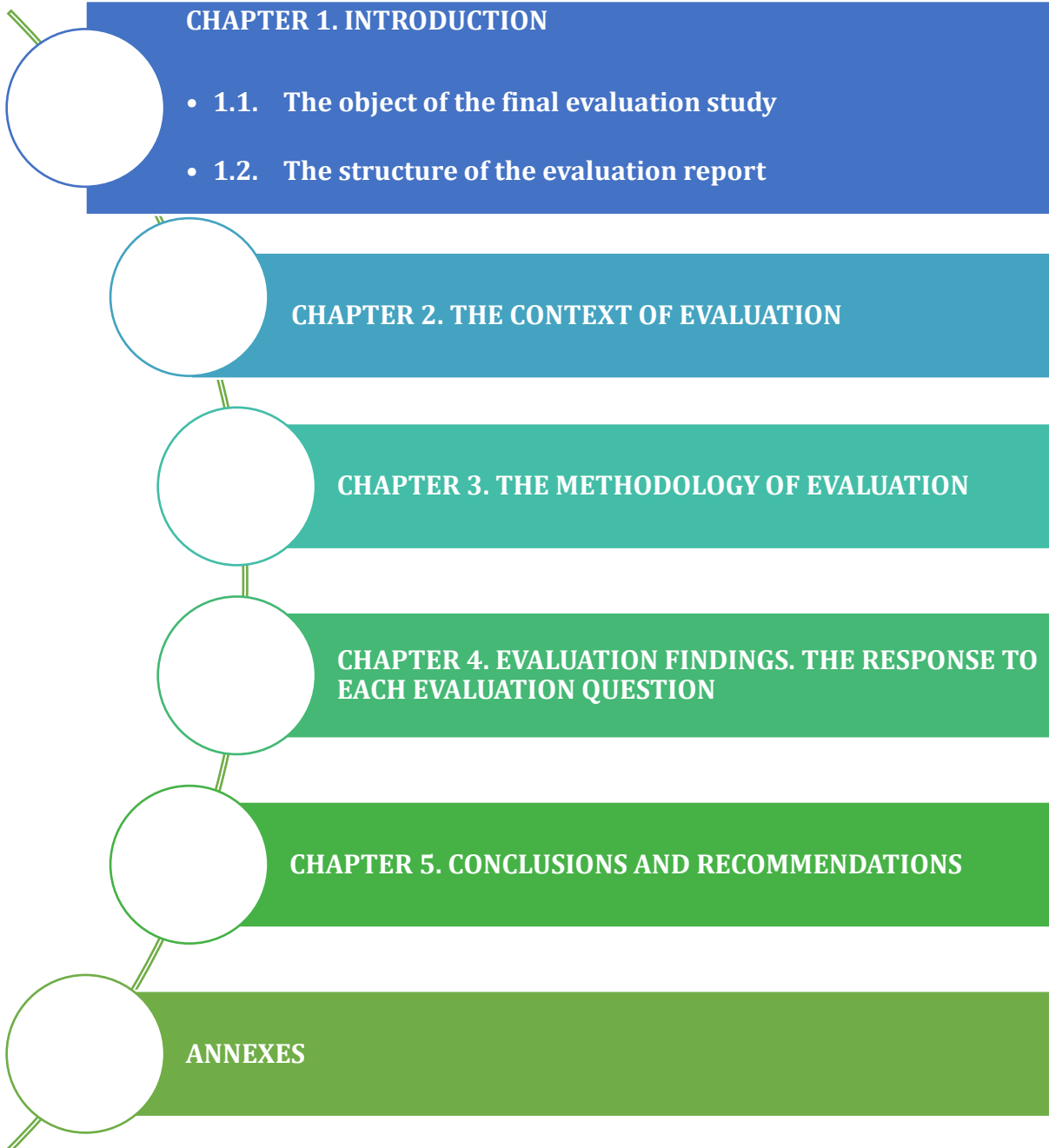
**Recommendation 9.** In order for the online systems created by AFIR/APIA to achieve their goal of simplifying and facilitating processes in all phases, it is necessary to monitor and adjust them depending on the identified issues in the shortest possible time. Financing applications that could not be submitted due to system failures should be solved (for example by accepting the financing application in paper format).

**Recommendation 10.** Simplified cost options, including the standard unit cost, should be extended to all measures where the amounts being considered are small (e.g. sub-measure 6.3 but also 1.2), in line with the principles of the Common Agricultural Policy 2021-2027. The standard unit cost/single payment amount should be revised halfway through the programming/implementation period on the basis of the actual costs incurred to ensure its correctness and absorption of the funds.

**Recommendation 11.** It is imperative to implement customised information and communication actions, face-to-face with potential beneficiaries/beneficiaries, to issue information materials accessible to potential beneficiaries (e.g. in simplified, visual forms), to develop and publish notes to highlight “frequent mistakes” made in each phase (application/contracting/implementation) and the appropriate solutions. Concerning APIA measures, we recommend launching the information campaign much earlier than mid-February, so that the two types of activities (information/communication and the support of Single Payment Requests submission) do not overlap and overwhelm APIA workers. Additional information actions should be available on-site (closer to beneficiaries) to avoid additional transport costs, especially for small farmers. In the case of measure 6.5, we also recommend the direct approach, through information letters (following the model implemented by APIA for Single Payment Requests), sent to beneficiaries of the Simplified Small Farmers Scheme in Pillar I with small holdings, under a threshold established by NRDP MA. This method of communication can increase the number of applicants for the measure if it is accompanied by support activities for applicants (recommended above). These activities should be performed with the funds available under the Measure 20 for Technical Assistance, in order not to affect even more the working capacity of APIA and AFIR personnel.



## **THE CONTENT OF THE FINAL EVALUATION STUDY**







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