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

THE ON-GOING EVALUATION OF NRDP 2014-2020

Evaluation study II – AIR 2019

Executive summary

June 2019





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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 2018.

2. Evaluation context

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

Evaluation study II is provided for the elaboration of the consolidated AIR 2019 and contains answers both to the common evaluation questions no. 1-29, as well as to the specific evaluation questions no. 1-20.

Common evaluation questions address the following aspects: the reporting and the quantification of the program's achievements, the synergies and complementarity between the priorities and the areas of intervention of the NRDP 2014-2020, the contribution of the funds allocated to the technical assistance to the achievement of the objectives set in art. 59 of Regulation no. 1303/2013 and art. Article 51 (2) of Regulation 1305/2013, the activity of the national rural development network in achieving the objectives set out in Art. 54 (2) of Regulation 1305/2013, the NRDP 2014-2020 contribution to achieving the objectives of the Europe 2020 Strategy for smart, sustainable and inclusive growth; the contribution of the NRDP 2014-2020 to the achievement of the objectives of the Common Agricultural Policy.



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Concerning the specific evaluation questions, they concern the contribution of the NRDP interventions in achieving the transversal objectives, delivery mechanisms of the NRDP, the contribution of the NRDP interventions to the achievement of the thematic objectives of the Partnership Agreement, the fruit and vegetables sub-program, the observance of the horizontal principles mentioned in art. 5, 7, 8 of Regulation no. 1303/2013, the progress made towards ensuring an integrated approach to the use of EAFRD funds through the 2014-2020 NRDP and other rural development financial instruments.

3. Methodology

The methodological approach used to develop the Evaluation Study II includes a mix of techniques and tools combining the literature review, administrative data collection and analysis, surveys, interviews, case studies, focus groups, logic model and quantitative methods for analysis of indicators.

The literature review is one of the benchmarks used in the on-going evaluation of the programme and the main transversal method applied for the preliminary context analysis and the completion of the answers to the evaluation questions. The main criteria for selecting the documents included in the literature were: (1) availability; (2) relationship with the evaluation theme and (3) reference to sources of high scientific reputation (scientific articles/evaluations/public policy papers). For the literature review, both internal resources of the programme (e.g. the programme document, guides and technical sheets, evaluation studies) and external resources (e.g. European Commission Guidelines) were used. The literature review sheets are presented in Appendix 4.

The collection and analysis of administrative data, bases and guides the methodological approach applied in the evaluation process, having the role of designing the details specific to the qualitative and/or quantitative analysis tools as follows:

1. The analysis of the administrative data presented the first stage of the evaluation, analysing the measures/sub-measures and the implementation of the program, according to which the field research was planned and prepared.
2. The administrative data on the contracted and finalized projects were used for the selection of the sample of beneficiaries subject to the survey and the case studies.
3. The analysis of the administrative data allowed the discussion topics to be defined and the discussion focused on interviews with key actors. Interviews with authorities involved in the programme management and other key actors were organized and conducted, in order to discuss the progress of NRDP-funded interventions, starting from existing administrative data.



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According to the study methodology, the evaluation team conducted a series of semi-structured interviews with representatives of the authorities involved in the programme management (MA NRDP, AFRI, APIA), key economic actors (National Federation PRO Agro), the academic environment (Institute of Agrarian Economics of the Romanian Academy, Research Institute - Development for Fruit Growing Pitești – Mărăcineni) and representatives of other associations and organizations relevant to rural development (National Federation of Local Action Groups, Association of Forest Administrators) for the collection of information on the state of the implementation and the specific aspects related to each measure and field of intervention, the obstacles and bottlenecks encountered, as well as suggestions for improving the programme.

The survey allowed the collection of qualitative and quantitative data necessary to substantiate the answers to the evaluation questions. The instrument used, the questionnaire (including both closed and open questions, dichotomous questions and questions with multiple precodified answers), was applied to NRDP beneficiaries with contracted or completed projects (in the case of a qualitative survey conducted at sub-measure level) and only completed (in the case of the quantitative survey used to calculate the corresponding complementary result indicators FA 2A, FA 5A, FA 5C, FA 5D) by 31 August 2018. The results of the survey based on the questionnaire are shown in Annex 1 of the study.

The case studies aimed at developing a thorough understanding of the results generated by the NRDP interventions and targeted the beneficiaries of sub-measures 4.1, 4.1a, 4.2, 6.1, 19.2 with projects finalized by the 31st August 2018. The case studies – were conducted through field visits at the project implementation sites and materialized in the development of the individual analysis reports available in Annex 3 of this evaluation study.

Focus groups are generally qualitative research methods, taking the form of organized and structured discussions with a selected group of people to get information on their views and experiences with a given topic. The events were organized in order to complete the qualitative information collected through questionnaires, case studies and interviews, as well as to complement and validate the preliminary conclusions highlighted in the evaluation activities. The focus groups included representatives of the public institutions involved in the management and implementation of the NRDP (MA NRDP, AFRI, APIA) and other key actors representing the development of the rural area (ADI ITI Danube Delta, Association of Romanian Communes, representatives of LAGs etc.).

Quantitative methods were used to calculate complementary result indicator R2 (field of intervention 2A), having as reference point the Agricultural Accounting Information Network (AAIN) databases and data collected by applying questionnaires to beneficiaries.

The logical model was used to rebuild the intervention logic and to check the changes and updates made on different versions of the NRDP. The reconstruction of the intervention logic involved the analysis of all measures financed through the NRDP 2014-2020, based on the last approved version of the NRDP 2014-2020 during the reporting period (version VIII, approved in December 2018). The second level of the analysis is related to the performance indicators and the way they are set in relation to the relevant measures. The third level of the logical model is related to areas of intervention and associated result/target indicators. The upper level of the intervention logic is



represented by the priorities defined at the level of the NRDP, thus demonstrating the causality and the way of integrating the interventions financed by the program.

4. Conclusions and recommendations

4.1 Concluzions and recommendations related to effectiveness, efficiency and relevance

Procedural effectiveness

Conclusions - In what concerns procedural effectiveness, measures with high procedural performance are M01 (SM 1.1), M04, M06, M07, M09, M10, M11, M13, M14, M19, because project selection has been launched, there are some contracted and finalised projects contracted and payments have started. However, there are some differences within this first set of measures. In case of M01 there are no contracted transition projects and all the payments in M10, M11, M13, M14 are from new resources. In all the other measures there are also contracted transition projects. Measures with medium procedural performance are M02, M08, M16 because project selection has been launched and there are some contracted projects, but either payments and finalised projects are missing or both. In the case of M02 there are neither payments, nor finalised projects, while in the case of M08 and M16 there are contracted but not finalised projects. Measures with low procedural performance are M3, M15, M17 since their selection procedures have not allowed the contracting of any project in 2018. However, it is worth mentioning substantial differences between the measures. M03 and M5 have been recently introduced, while M15 and M17 have experienced relevant difficulties of implementation.

Overall, compared with AIR 2016, there is a general improvement in the programme implementation and a higher contribution of new projects instead of transition projects. The share of transition projects is relatively lower than at the end of 2016 and higher in the set of finalised projects than in the contracted projects. This shows the programme acceleration of implementation in the last two years.

Within the set of measures with medium and high procedural performance, the analysis of contracted and finalised projects shows that investment measures (4, 6, 7, 8) and payments for commitment measures (10, 11, 13, 14) are more advanced in terms of contracting capacity as compared with the measures providing support (1, 2, 9 and 16). This represents a substantial weakness of programme implementation because in the regulatory framework and in the programme Intervention logic, support measures providing support are supposed to enable the implementation of all the other measures. The measures with payments and commitments show a progress compared with 2016 and there are transition commitments in all the measures except for M13. It is important to see that for measure 14 transition commitments represent the total showing the slow implementation of animal welfare measure. In the case of Leader, there is a substantial number of transition projects within the set of finalised while contracted new projects have increased compared to the past.



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Recommendations – For the current programming period, the evaluators suggest monitoring carefully the measures with low procedural implementation, in particular M15 and M17 in order to check if the administrative obstacles and external factors hindering their implementation are overcome in the next future. In the light of the future programme, the evaluators suggest a different planning of measures in order to ensure an earlier implementation of support measures.

Financial effectiveness

Conclusions - For financial effectiveness, the analysis of data from the EC platform Cohesion data shows the improvement of the programme, which is slightly better than, in the years 2017 and 2018, the EU average. At measure level, M13, M14, M6 and M7 show high effectiveness (with payments being higher than 50% of the allocated budget), while M4, 10, 11 and 19 medium effectiveness (with payments being between 30% and 50% of the allocated budget). The others are lagging behind. Moreover, it is interesting to see that ITI submeasures and sub-measures of the subprogramme „fruit growing sector” are usually underperforming compared to the corresponding measures. In the case of sM 9.1a there are no payments, while the sM 4.1a is the one having the highest payment share compared with the other submeasures with the fruit sector (4.2a, 9.1a, 16.1a, 16.4a), with 12% paid resources of the allocated amount. However, sM 4.1 has a better performance, 47% allocated resources have been paid. M20 shows a relatively medium level of payments (33%) and the financial instrument has committed all the allocated resources (almost 94 million euro) and paid 50% of it.

Recommendations – For the current programming period, the evaluators suggest conducting an ex-post evaluation of the financial instrument as in the 2007-2013 period, with a specific focus on the sound management principle and in particular on the provision of art. 41 of EU Reg. 1303/2013 and on the management costs and fees which are expected to have an impact on effectiveness and efficiency of the public intervention. For the future programming period, since the added value of ITI approach for integrated territorial development, the evaluators suggest considering the possibility of involving the stakeholders and launching the ITI earlier to speed-up the implementation and disclose all the opportunities.

Effectiveness and efficiency of priorities and focus areas

Conclusions – The evaluation assesses effectiveness and efficiency at focus area level, in terms of potential being the programme implementation and evaluation still ongoing. Overall all the focus areas, except for FA 6A, are efficiently implemented, being their actual unit costs similar to or lower than what expected. For what concerns effectiveness, the situation is more diversified across the focus areas. All the three focus areas of the first priority, 3B and 6A shows a low effectiveness being their achievement rate of the target indicators lower than 35%. However, while the achievement rate is very low for FA 1A, 1C, 3B (being less than 2%), is higher for 1B and 6A. In spite of some preliminary results and better performance than other focus areas such as (1A, 1B, 1C and 3B), FA 6A shows low effectiveness and risk of low efficiency for the future implementation since the actual unit costs of jobs seem higher than expected.



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Recommendations – The evaluators suggest updating the analysis of efficiency in particular for FA 1A, 3B and all the priority 4 and monitoring carefully the unit costs of jobs creation within FA 6A.

Regarding priority 1, and notably FA 1A and 1B, it seems rather challenging but still possible to reach the targets. However, the evaluators suggest the MA to monitor very carefully in the next year the related measures (M1, M2, M16) and then eventually decide whether it is feasible to reach the target. In the light of future programming period, the measure 1 underlying FA 1C should be launched much more in advance as to facilitate programme implementation.

In what concerns priority 2, FA 2A, since the focus area has, it is suggested to update next year the efficiency assessment of FA 2A since unit costs are higher than expected for SM 4.1 and 6.3 with new resources and lower in transition projects. In what concerns FA 2B, which is the best performing in effectiveness and efficiency, the evaluators propose to assess in the ex-post evaluation to what extent the activities carried out under SM 1.1 have been effective, being late implemented. This could be assessed by verifying the performance of beneficiaries of SM 6.1 trained under SM 1.1 and a sample of all the others all other conditions being equal (e.g. localization, education level). For FA 2C+, in the light of future programming period, it would be useful to distinguish between modernized roads and new constructed roads, which are expected to have different costs of realization and probably different challenges to be encountered for the implementation.

In what concerns priority 3, it is important to monitor cautiously the implementation of SM 16.1 and 16.1a, which are expected to contribute substantially to achieving the final target of FA 3A because there at present exclusively expressions of interest. For priority 5, the effectiveness of FA 5E is low. The evaluators suggest updating the analysis after the results of the third call to see the attractiveness of sub-measure 8.1 after the changes introduced.

Programme relevance

Conclusions - It is noted that the National Rural Development Programme contributes to the main objectives of Europe 2020 Strategy, all of these being covered by the intervention areas established through the initial planning. Regarding the relevance of the NRDP in the context of the implementation of various programmes financed by the Structural and Cohesion Funds, it can be noticed that there are no strategic and operational conflicts in the implementation of the programme with other funding programmes. At the same time, there is a strong coherence on the themes of innovation, social inclusion and resource efficiency, with other operational programmes, highlighted by the fact that the priorities of the NRDP are related to the priorities highlighted in the other programmes.



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4.2 Conclusions and recommendations on priorities / areas of intervention

Priority 1

Conclusions

- FA 1A: The implementation of measures directly contributing to FA 1A has been strongly influenced by changes to public procurement legislation at the start of this programming period, as well as by the innovative features of M16, which delayed the start of training, counseling and cooperation between enterprises and research institutes.
- FA 1B: M16 experienced delays at the beginning of the current programming period, mainly due to procedural problems. Projects submitted under sM16.1 are still under evaluation, while projects selected under sM16.4 have created the first partnerships and are developing the first projects aimed at introducing and consolidating new forms of cooperation to stimulate innovation in a variety of productive sectors and service.
- FA 1C: Measure 1, which directly contributes to the achievement of FA 1C objectives, was significantly delayed in implementation. However, the simplification of project selection procedures (the possibility of submitting project proposals on-line, adoption of standard unit costs and ongoing application filing), adopted for M1 information initiatives, has accelerated the selection and implementation of interventions compared to the level of implementation observed in 2016

Recommendations

- FA 1B: In order to increase the attractiveness of sM 16.1 and 16.4 and thus promote cooperation between productive and research sectors, it is advisable to intensify communication activities so as to involve a larger number of potential beneficiaries in promoting joint initiatives able to promote innovation in rural practices
- FA 1C: In order to provide training sessions and more informative actions for potential beneficiaries and more functional for the achievement of the specific objectives of the NRDP, it is recommended either to focus on trainings that develop topics related to the most successful measures or to promote the achievement an analysis involving the beneficiaries of the NRDP, aimed at updating the needs and identifying topics of maximum interest for them.

Priority 2

Conclusions

- FA 2A: Despite the difficulties encountered in the implementation period 2007-2013 (M112, M121 and M125 under Axis 1), highlighted in the ex-post evaluation, the current state of the FA 2A measures (except for measures 1 and 2) can be considered that it presents positive aspects due to new projects but also to those in transition, which in some cases are very relevant (submeasures 6.3 and 4.3).



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- FA 2B: Overall, the implementation analysis shows that intervention area 2B has achieved its objectives. Generally, the NRDP supported young farmers, but due to sM 6.1 the level of young qualified farmers increased. Gender analysis suggests that there are no differences in the qualifications of women and men but there are substantial territorial disparities. These regional differences can be explained by the lack of access to agricultural education at university level in marginal areas
- FA 2C+: The attractiveness of sM 4.3 is high and, despite the fact that the value of the target indicator set for 2023 has not yet been reached, the contracted and finalized projects have a high potential for achieving it. Overall, the investments have substantially improved the accessibility of the areas, and this has benefited in particular the local population and not ultimately the tourists (2/3 of the projects).

Recommendations

- FA 2A: Redefining the selection criteria under sub-measure 4.1, field crop sector, to allow funding of quality projects in other agricultural sectors as well, so as to reduce over-submission;
- FA 2B: Provide more information / training opportunities / manuals and guides for beneficiaries. Future training schemes should be launched in the post-2020 period, before the implementation of the programme and should be based on the experience of the implementation of sM 1.1, which currently has 15 projects contracted for more than 4,000 expected participants.
- FA 2C+: In the next programming period, it is advisable to consider the possibility of diversifying the scores associated with the selection criteria to allow investment in forest areas with an area of less than 2000 hectares.

Priority 3

Conclusions

- FA3A: The NRDP funding has helped to increase the participation of primary producers in short supply chains, mainly due to sM 4.2 and 9.1. SM 16.4 has also begun to produce some positive effects, but has been implemented slower than expected. Due to the appropriate selection criteria, the sub-measure has made a real contribution to the creation of new networks and reduced the geographical distance between the point of production and the point of sale. Primary producers' competitiveness has increased due to cost savings and revenue growth.
- FA3B: The non-activation of the mutual fund (sM 17.2) is mainly caused by external factors, such as the lack of previous experiences and the lack of a well-established and functional institutional and legal framework on this issue. It is too early to evaluate the effects of M5 and sM 17.2 recently introduced into the program.

Recommendations



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- FA3A: The future formulation of the interventions should take into account the risks of possible distortive effects on market prices indirectly caused by the criterion "P3 - The principle of integrated food chains" between primary producers and producer groups.

Priority 4

Conclusions

- FA4B: The analysis suggests that NRDP support contributes to a certain extent to improving water quality. However, in the future, the mechanism of concentrating support on areas affected by specific water quality issues should increase the effectiveness of the measure.
- FA4C: The effectiveness of solving soil quality and soil erosion problems can not be quantified directly, but there is evidence that NRDP has contributed to reducing soil erosion and improving soil management, but with varying degrees of intensity (depending on the support provided) unequally dispersed between regions.

Recommendations

- FA4C: As regards the typologies of practice supported by the programme, further improvement could be achieved by introducing more friendly land management measures. These measures include the use of anti-erosion culture systems on slopes, the development of level curves in strips, grass strips and arable terraces; execution of soil cultivation work in the general direction of level curves and adaptation of agricultural components including fertilization, integrated weed control (especially application of herbicides) and maintenance, mechanization and harvesting of specific land.

Priority 5

Concluzii:

- FA5A: Implementation of the NRDP has positive effects on improving the efficiency of water use, especially through sub-measure 4.3.
- FA 5D: Emissions of greenhouse gases and ammonia are closely related to the number of livestock units in the farm. Even if the NRDP supports projects to reduce emissions, the increase in the number of animals will counterbalance the reduction effort made.
- FA5E: The current contribution of NRDP to FA5E is low due to delays observed in the launch of sM8.1 and sM15.1. SM4.1 has helped to achieve the scope of intervention through new plantations, but the total area covered is not relevant at national level. On the other hand, the indirect contribution of other sectors (M11 and M10) has increased in recent years, implying a significant improvement in carbon sequestration in agricultural systems. Even if this contribution can not be quantified directly, the extension of the area covered by both M10 and M11 and the estimation of the growth of carbon storage in organic farming make it possible to conclude that agriculture positively contributes to carbon sequestration.



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Recommendations:

- FA5A: Simplification of the criteria set out in the Program for application under Package 5 (M10), to make funding easier for beneficiaries; redefining / expanding the intervention area for investments in irrigation infrastructure, taking into account the provisions of art. 46 of Regulation no. 1305/2013;
- FA5D: Further simplification of administrative procedures for the livestock and manure management measure (eg documentation requests, approval rules) and deadlines for applicants / beneficiaries; further promoting measures / interventions related to soil management (under Priority 4), providing technical support (guidance, training) and counseling beneficiaries / applicants;

Priority 6

Conclusions:

- FA6A: The general analysis of FA 6A shows that sub-measures scheduled under this area of intervention contribute to creating new business and job opportunities (albeit to a lesser extent taking into account the target value expected in 2023), while diversifying rural economy.
- FA6B: In general, we can say that through LDS, namely by identifying and using the potential for territorial development, new business opportunities and new jobs have been created. The number of newly created jobs has increased considerably since 2016, but the estimated figure for 2023 has not yet been reached.

Recommendations :

- FA6A: Taking into account the synergies between sub-measures that contribute directly and indirectly to FA6A targets, it is recommended to speed up selection procedures within sM1.2 and sM 2.1 in order to respond to the needs of the beneficiaries in terms of knowledge transfer and consultancy services, to increase their capacity to implement supported projects. Similarly, cooperation projects under sM 16.1 (which are still in the second phase of the evaluation) could increase the expected results in FA6A by encouraging collaborations between business and research sectors, thus contributing to the introduction of innovation and diversification of rural practices.
- FA6B: In order to better highlight the specific contribution of NRDP to the improvement of employment rates in rural areas, it is recommended to record monitoring data on newly created jobs, also using the data collected by LAGs at local level its own monitoring / evaluation tools / tools, with the objective of harnessing the LDS results and setting the basis for monitoring the sustainability of the jobs created by age and gender.