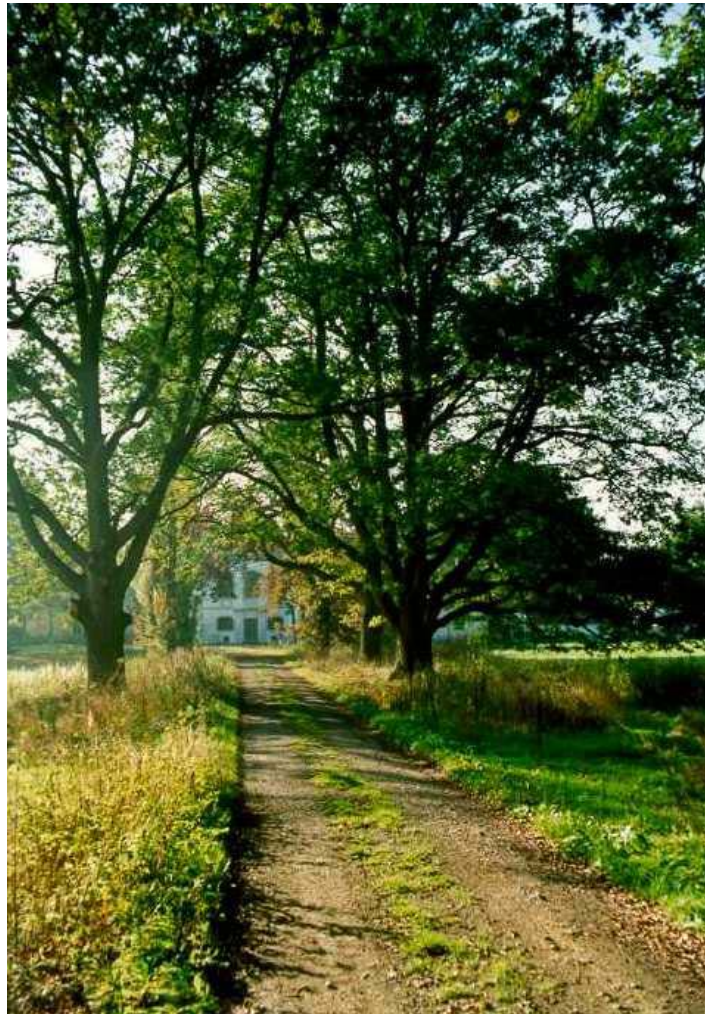




**Final Report**  
**Ministry of European Integration**  
**Mid Term Evaluation of SAPARD**  
**in Romania**

**EUROPEAID/114573/D/SV/RO**  
**31st March 2004**



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<b>Table of contents</b>	<b>Page</b>
EXECUTIVE SUMMARY	5
RECOMMENDATIONS:	8
LEVEL OF INTERVENTION .....	8
ABBREVIATIONS AND ACRONYMS	13
1. INTRODUCTION	14
1.1. THE EVALUATION OF THE PROGRAMME .....	14
1.2. EVALUATION METHODOLOGY AND DATA COLLECTION OF THE FIRST PHASE OF THE MTE .....	15
1.3. ADDITIONAL EVALUATION METHODOLOGY AND DATA COLLECTION.....	16
1.3.1. Evaluation criteria .....	16
1.3.2. Evaluation questions .....	17
1.3.3. Data collection .....	18
1.4. CONTENT OF THE REPORT .....	20
2. THE PROGRAMME IMPLEMENTATION AND DESIGN	21
2.1. EX-ANTE EVALUATION OF THE PROGRAMME .....	21
2.1.1. Assessment of the Ex-ante evaluation of the Programme .....	21
2.1.2. The Programme strategy and priorities .....	22
2.1.3. Financial allocations .....	23
2.1.4. EU compliance.....	23
2.1.5. Conclusion .....	23
2.2. OBJECTIVES OF THE PROGRAMME .....	24
2.2.1. The objectives of measure 1.1 Processing and marketing of agricultural and fishery products.....	25
2.2.2. The objectives of measure 2.1 Development and improvement of rural infrastructure .....	26
2.2.3. The objectives of measure 4.2 Technical Assistance .....	26
2.3. FINANCIAL ALLOCATION UNDER THE PROGRAMME.....	27
2.4. RELEVANCE AND BALANCE OF THE ROMANIAN SAPARD MEASURES .....	29
2.4.1. Relevance of the accredited but not implemented measures.....	29
2.4.2. Balance of the accredited but not implemented measures.....	30
2.4.3. Non-accredited measures .....	31
2.5. BACKGROUND INFORMATION ON ROMANIA .....	32
2.5.1. Demographic/economical issues .....	32
2.5.2. Agricultural background .....	33
2.5.3. Environment and Agriculture.....	33
2.6. CONTEXTUAL ISSUES AFFECTING THE PROGRAMME IMPLEMENTATION.....	34
3. MIDTERM EVALUATION OF MEASURES UNDER THE PROGRAMME	36
3.1. MIDTERM EVALUATION OF MEASURE 1.1 .....	36
3.1.1. Relevance and coherence .....	36
3.1.2. Effectiveness .....	37
3.1.3. Monitoring .....	40
3.1.4. Effects .....	41
3.1.5. Efficiency and utility.....	46
3.1.6. Sustainability.....	47
3.2. MIDTERM EVALUATION OF MEASURE 2.1 .....	48
3.2.1. Relevance and coherence .....	48
3.2.2. Effectiveness .....	49

3.2.3. Effects .....	51
3.2.4. Efficiency and utility.....	54
3.2.5. Sustainability.....	54
3.3. MIDTERM EVALUATION OF MEASURE 4.2 .....	56
3.3.1. Relevance and coherence .....	56
3.3.2. Effectiveness .....	56
3.3.3. Effects .....	57
3.3.4. Efficiency and utility.....	58
3.3.5. Sustainability.....	59
4. MIDTERM EVALUATION OF THE PROGRAMME .....	60
4.1. RELEVANCE AND COHERENCE .....	60
4.1.1. Internal relevance and coherence .....	60
4.1.2. External relevance and coherence .....	61
4.1.3. Actions previously implemented to support the Programme .....	62
4.2. EFFECTIVENESS .....	64
4.3. EFFECTS .....	66
4.3.1. To what extent has the Programme been conducive to adjust the agricultural sector and the rural economy to Community standards and to prepare them for the implementation of the acquis communautaire? And has the Programme contributed to establish and improve the implementation of CAP objectives and procedures at the administrations' level? .....	66
4.3.2. To what extent has the Programme helped stabilising the rural population? .....	66
4.3.3. To what extent has the programme contributed to the preservation and revitalisation of rural heritage and cultural traditions? .....	67
4.3.4. To what extent has the Programme been conducive to creating/maintaining employment opportunities in the rural areas? .....	67
4.3.5. To what extent has the programme facilitated/promoted foreign investment in the agricultural sector/rural areas? .....	68
4.3.6. To what extent has the programme been conducive to improving the standard of living of the beneficiary populations? .....	68
4.3.7. To what extent have the assisted measures contributed to diversify the rural economy and improve the market situation of the rural areas? .....	69
4.3.8. What is the impact of programme implementation on the competitiveness and accessibility of Romanian agri-food products on the international markets? .....	69
4.4. EFFICIENCY AND UTILITY .....	70
4.5. SUSTAINABILITY .....	70
4.6. ENVIRONMENTAL IMPACT ASSESSMENT OF THE PROGRAMME.....	71
4.6.1. Ex Ante Evaluation and Environmental Impact Assessment .....	72
4.6.2. Legislation relevant for the Programme.....	74
4.6.3. Evaluation of administration related to environmental impact assessment.....	77
4.6.4. Answer to the CEQ .....	78
4.6.5. Accredited and implemented measures.....	79
4.6.6. Accredited measures but non- implemented .....	82
4.6.7. Indicators and measures .....	84
4.7. EVALUATION OF THE ADMINISTRATIVE SET-UP .....	86
4.7.1. The structure of the SAPARD implementation.....	88
4.7.2. Effectiveness .....	89
4.7.3. Implementing procedures.....	94
4.7.4. Description of implementation procedures .....	95
4.7.5. Evaluation of the effectiveness of the implementation of procedures.....	98
4.7.6. Cost Effectiveness and Efficiency.....	102
4.7.7. Monitoring .....	104
4.7.8. Effectiveness of Monitoring.....	104
4.7.9. Staff, education and training .....	106
5. CONCLUSIONS AND RECOMMENDATIONS .....	108

5.1. MEASURE LEVEL .....	108
5.1.1. Measure 1.1 .....	108
5.1.2. Measure 2.1 .....	110
5.1.3. Measure 4.2 .....	111
5.2. PROGRAMME LEVEL .....	112
5.3. ENVIRONMENTAL IMPACT ASSESSMENT .....	114
5.4. ADMINISTRATION .....	116

**List of annexes**

Annex I.	Terms of reference for URS as of primo 2003 .....	120
Annex II.	Terms of reference for Kvistgaard Consult as of February 2004 .....	167
Annex III.	Debriefing note .....	172
Annex IV.	Weekly reports .....	185
Annex V.	Questionnaires for measure 1.1 .....	196
Annex VI.	Questionnaires for measure 2.1 .....	206

## **Executive summary**

This report contains the results of the midterm evaluation (MTE) of the Romanian SAPARD Programme (hereinafter the 'Programme') in the years of implementation 2000-2003.

URS Corporation Ltd. and Triple Line Consulting Ltd. have been contracted by the Ministry of European Integration to implement the MTE of the Programme (contract EUROPEAID/114573/D/SV/RO). From 23<sup>rd</sup> of February Kvistgaard Consult was contracted by URS Corporation Ltd. with the specific aim of finalising the MTE. The two sets of Terms of Reference are presented in annexes I and II.

The MTE was initiated in May 2003, but was redesigned in February 2004, on which basis this report has been produced. The redesign included introduction of a new evaluation team consisting of Morten Kvistgaard, managing director and team leader, Jens P. Olsson, consultant and Heidi Skov Andersen, consultant.

The team leader of the new evaluation team visited Romania at the end of January 2004 in order to review the previous 'draft final report' and produced a debriefing note (see annex III), from which it was made clear that a restructuring of the project was needed included collection of additional primary data.

The following data collection activities have taken place, which have also been reported weekly (see annex IV):

- measure specific questionnaire survey to all beneficiaries until 30<sup>th</sup> of June (see annexes V and VI),
- interviews with key stakeholders,
- interviews with key staff in the SAPARD Agency and with the Managing Authority.

The data was collected during three weeks in March 2004. Data from the draft reports produced by the first midterm evaluation team together with other additional secondary data has been used to create contextual baselines and input to desk research during the MTE. The data available allows for a valid and sustainable assessment of the Programme.

The European Commission approved the Romanian SAPARD programme in December 2000 and the Programme was launched on 1 August 2002 meaning that the process of submission and official registration of application forms of the potential beneficiaries could begin at the Regional Offices for Implementation of SAPARD Programme.

Implementation of the three measures in the Programme (Measure 1.1 Processing and marketing of agricultural and fishery products, Measure 2.1 Development and improvement of rural infrastructure and measure 4.2 Technical Assistance) has been carried out during the years 2002-2003.

The Programme and the objectives of the Programme are found to be **highly relevant** in relation to addressing the needs identified in the rural areas of Romania. There has moreover been identified an **internal coherence** between the measures in the Programme, although additional internal coherence may be expected following the implementation of the remaining measures.

The evaluator finds that the **external coherence** between the Programme and other national programmes and projects is diminished by the de-facto application of the First In First Served principle in the selection of projects for both measure 1.1 and 2.1. This principle has a low strategic and policy potential in the selection of projects under the Programme.

The **effectiveness** of the Programme implementation relates to the activity level and the ability to initiate projects. Evaluator concludes that there has been a more limited level of activities, than was expected in the period covered by this evaluation. The financial effectiveness measured in terms of the level of financial commitments lies at a level of around 68 pct. of the expected level. Looking at the individual measures it appears that the problems with low utility percentage were experienced especially in measure 1.1.

The evaluator find a very limited scope for **deadweight effects** in the two investments measures carried out by SAPARD support. 71 pct. of the beneficiaries under measure 1.1 and 97 pct under measure 2.1 respectively state that the Programme has been supporting their investments 'to a very large extent'. This indicates that the dependence on support is high, especially concerning investments in infrastructure.

Due to the low financial effectiveness the Programme cannot be expected to create a significant impact on the alleviation of the addressed problems in the rural areas. However, the Programme can be expected to create a positive impact on the **stabilisation** of the rural population especially with the implementation of measure 3.4. None of the current implemented measures and activities are directly targeting the final beneficiaries in the rural areas, however both measure 1.1 and 2.1 are considered to have a positive indication regarding stabilisation of the rural population due to improved infrastructure facilities as well as an enhanced opportunity for keeping job or creating of new jobs. The Programme has moreover facilitated a positive development in relation to **creating and maintaining jobs**, especially in relation to the processing industry.

The **sustainability** on the short as well as on the medium term of the supported projects and the Programme implemented so far is satisfactory based on an assessment of the additionality of the supported activities and the significant role of the support. This is determined on the precondition that the investments are maintained and other wise operated properly and that resources are available for these purposes locally.

### **Environmental impact assessment**

The evaluation of environmental impact assessment included in the Programme generally concludes that it is in compliance with EU requirements. The environmental dimension of the programme including the administration is further found in accor-

dance with the requirements and descriptions given in the RDP. The evaluation also shows that the assisted measures have contributed to some extent to protection of the environment of the rural areas.

The evaluation of the Programme from the environmental point of view does however also include a number of recommendations where possibilities for improvement or reinforcement should be examined. The recommendations are especially focusing on development of indicators for environmental impact, amendments for criteria for project selection, and increased rate of co-financing to projects with a substantial environmental dimension.

### **Administration**

The administration of the Programme and the delegation of roles and responsibilities are generally in accordance with the requirements of the Commission and is effective in meeting the requirements of the EU. However, there is an urgent need for increased efficiency at the regional and the local level and the introduction of simpler procedures wherever possible. Especially the selection procedures are very complex and take a long time to implement, and the time from submission of the application to contracting is considered too long and as a threat to programme implementation effectiveness.

The work of the Monitoring Committee is not supported adequately neither by a database system to record and report management information on the implementation of the SAPARD Programme, nor by relevant indicators and data collection. Therefore the monitoring system and the management information system could be improved in order to fully contribute to the objectives of the system, i.e. providing the MC with relevant useful information about the progress of the Programme implementation.

On the following pages the recommendations from the MTE are presented. Each recommendation is reflected in relation to both the level of intervention and the expected time for implementation of the suggested actions.

Recommendations:		Level of intervention			Short vs. long term
		Measure	Programme	Regulation	
<b>Measure 1.1</b>					
1.	The eligibility criteria for the measure should be evaluated upon. Especially the 100 pct. private ownership rule seems to be a burden for the larger enterprises as well as the late introduction of M4.1 seems to be problematic.	✓			S
2.	In addition the scoring criteria could be designed so that companies living up to higher phytosanitarian standards (or other appreciated investments) are favoured.	✓			S
3.	Enterprises in urban areas with less than e.g. 10,000 inhabitants should be allowed to apply for the full measure, and only enterprises in cities larger than this should be limited to apply for modernisation only.	✓			S
4.	Allow for application of more than two projects in the Programme period.		✓		S
5.	Lift or remove ceiling for maximum amount of eligible costs to be supported under the Programme.		✓		S
6.	Facilitate additional projects with focus on marketing. A joint effort for promotion of products from a specific region or line of products could be favoured as to create synergy effects.	✓	✓		S
7.	Give support for setting up and running a new investment for a limited period, in order to compensate for losses incurred during start-up phase of a project.		✓	✓	L
8.	Develop operational indicators for output, results and impacts	✓	✓		S
<b>Measure 2.1</b>					
9.	Introduce longer application rounds as to include more projects in the selection procedure at the same time.	✓			S
10.	A high priority should be given to projects combining piped water supply and sewerage	✓	✓		S
11.	Where a wastewater collection and treatment system is not in place, the approved project should be linked to, and integrated with a project dealing with supply and treatment of wastewater	✓			S
12.	Give priority to projects with linkages to other projects supported under the programme, e.g. measure 3.4		✓		S



<b>Recommendations:</b>		<b>Level of intervention</b>			<b>Short vs. long term</b>
		<b>Measure</b>	<b>Programme</b>	<b>Regulation</b>	
13.	Develop operational indicators for output, results and impacts	✓	✓		S
<b>Measure 4.2</b>					
14.	Increase the number of activities regarding publicity under the measure herein;				
	a) information to the public	✓			S
	b) specific information for targeted groups of potential beneficiaries	✓			S
	c) promotional activities in cooperation with the social partners (stakeholders)	✓			S
15.	Research on best practice on clustering of projects, integrated projects, green investments etc.		✓		S
16.	Identification of financial needs, exchange rate problems and long term financing (N+5)		✓		S
17.	Develop a coherent set of monitoring indicators for Programme monitoring.	✓	✓		S
<b>Programme level</b>					
18.	A close monitoring of the Programme as well as the rural development context will allow for timely adjustments of the prioritisation of the measures, the design of the eligibility criteria and in the short term allow for changes in the selection criteria.		✓		S
19.	Evaluator proposes that the financial allocation is targeted more towards measures 3.3 and 4.1. An increase of the activities under these measures is assessed as essential for a sustainable rural development, therefore resources from these activities ought to be channelled from pure investment measures or measures having a low additionally.		✓		S
20.	It is recommended to ensure coherence between approved projects - also between measures - in order to gain benefits from synergy effects. The selection of these projects should at all times be ensured through de-facto application of selection criteria. A tool for addressing coherence and synergies could be to create geographical clusters or give priority to integrated projects.		✓		S
21.	In order to reduce the territorial differences or to exploit regional potentials it could be considered to address the impact on certain rural areas through adoption of additional economic selection criteria.	✓	✓		S

<b>Recommendations:</b>		<b>Level of intervention</b>			
		<b>Measure</b>	<b>Programme</b>	<b>Regulation</b>	<b>Short vs. long term</b>
22.	In order to make the Programme more attractive it is recommended to assess different solutions regarding exchange rate problems and access to financial resources on all investments.	✓	✓	✓	S/L
23.	In order to enhance the implementation and hereby the effectiveness and effects of the Programme, it is recommended that the accreditation and implementation process of the remaining measures are facilitated.	✓	✓		S
24.	It is strongly recommended to upgrade training and capacity-building activities in order to fully implement the CAP and to enhance the implementation of the Programme.		✓		S
<b>Environmental Impact Assessment</b>					
25.	Development of indicators related to environmental impact should take place. In order to facilitate the monitoring and evaluation activities.	✓	✓		S
26.	Generally there should be looked at the possibility to consider amendments of criteria for selection of projects under the different measures with considerations related to environmental EU regulations. I.e. projects living up to a higher degree of EIA should be favoured.	✓			S
27.	Promotion for NGOs of training activities under M4.1 should be prioritised in order to contribute to national, regional and local training initiatives and agri-environmental education.	✓			S
28.	In addition education / training and assistance should be provided to the agricultural advisory services in areas subject to desertification and erosion, to promote 'dry farming' methods and the purchase of appropriate farm machinery.		✓		S
29.	Diversification into alternative crops and livestock which are better able to withstand the saline and dry conditions and which do not contribute further to the declining quality of land resources should be promoted under M3.1, M3.3 and M3.4.	✓			S
30.	The overgrazing of meadows and areas with bushes is a widespread problem, which is resulting in erosion. Further investigation is required to improve schemes of management for these areas and resources under M3.3 identified for this purpose.	✓			S

Recommendations:		Level of intervention			Short vs. long term
		Measure	Programme	Regulation	
31.	Under M3.5 the Programme should give encouragement to bring municipality forest areas into sustainable management, and to afforest poor quality land belonging to municipalities with the overall aim of countering erosion and desertification.	✓			S
32.	In order to maintain traditional farming practices in areas of high landscape value, increased (higher scoring on selection criteria) access to SAPARD funds under M3.3 and other appropriate measures should be encouraged. In addition 'green investments' should at all times and in all measures be favoured.	✓	✓		S
<b>Administration</b>					
33.	Make it a strategic priority to increase the efficiency of the administration of the SAPARD Programme by reconsidering the local level as part of the administrative procedures and by reducing simplifying the control steps in the project selection process.		✓		S
34.	Critically review all parts of the procedures with a view to simplifying the process and improve the reporting and document templates, this is especially relevant for the control procedures and the strengthening of the administration on the regional level	✓	✓		S
35.	Eliminate the eligibility criteria of personally delivered applications and other documents	✓	✓		S
36.	Improve the information to beneficiaries and advisors especially on financial issues such as the eligibility criteria and eligible costs to improve the quality of the applications and payments claims and on tender procedures for the purchase of equipments and technologies	✓	✓		S
37.	Improve to compile and monitor data on the costs of administration of the SAPARD Programme and value for money in relation to strategies pursued		✓		S
38.	Improve the monitoring system and the supporting data collection system in order to provide the MC with information on input, output, results and impacts of the Programme implementation	✓	✓		S
39.	Take action to move the MA from the MIE (MoF) to the MAFWE as soon as possible and allocate the required resources to the build up of the MA competences in the MAFWE.		✓		S

<b>Recommendations:</b>		<b>Level of intervention</b>			
		<b>Measure</b>	<b>Programme</b>	<b>Regulation</b>	<b>Short vs. long term</b>
40.	Take action (meetings, information activities etc.) to increase the involvement of stakeholders (ministries, organisations, institutions etc) in general and the MC members in particularly in the Programme implementation through information and through increased awareness of the role and responsibilities in facilitating Programme implementation.		✓		S

## Abbreviations and acronyms

AC	Accession Countries
AFA	Annual Financing Agreement
AP	Accession Partnership
BRIPS	Regional Office for Implementation of SAPARD Programme
CAAS	County Agricultural Advisory Service (Romanian acronym is OJCA)
CAP	Common Agricultural Policy
CBC	Cross Border Cooperation
CEEC	Central and Eastern European Countries
CEQ	Common Evaluation Questionnaire
DARD	Directorate of Agriculture and Rural Development at county level (Romanian acronym is GDAFI)
DB	Data Base
DRD	Directorate of Rural Development of MAFWE at central level
e.g.	for instance
EC	European Commission
EIA	Environmental Impact Assessment
EU	European Union
EQ	Evaluation Question
IACS	Integrated Administration and Control System
LEAP	Local Environmental Action Plan
M	Measure (e.g. M1.1.)
MA	Managing Authority
MAFA	Multi-Annual Financing Agreement
MAFWE (MOA)	Ministry of Agriculture, Forests, Water and Environment (formerly the Ministry of Agriculture, Food and Forests)
MEI	Ministry of European Integration
MoPF	Ministry of Public Finance
MTE	Midterm Evaluation
MTCT	Ministry of Transport, Construction and Tourism (formerly Ministry of Public Works, Transport and Housing)
NAAS	National Agricultural Advisory Service. Romanian acronym is ANCA
NEAP	National Environmental Action Plan
NES	National Environmental Strategy
NGO	Non Government Organisation
MC	Monitoring Committee
NPARD	National Plan for Agriculture and Rural Development
OM	Operational Manual
PD	Programming Document
PR	Preliminary Report
RCGF	Rural Credit Guarantee Fund
RDA	Regional Development Agency
ROISP	Regional Office for Implementation of SAPARD Programme
SA	SAPARD Agency
SAPARD	Special Accession Programme for Agriculture and Rural Development
SC	Steering Committee
SEQ	Specific Evaluation Questionnaire
SP	SAPARD Programme
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistance
ToR	Terms of Reference
UAA	Utilised Agricultural Area

## 1. Introduction

This report has been prepared by Kvistgaard Consult, subcontracted by URS Corporation Ltd, in the period 23<sup>rd</sup> February 2004 till 31<sup>st</sup> March 2004, and is based on a previous draft final report prepared by URS Corporation Ltd. January 31<sup>st</sup> and a final draft report prepared by Kvistgaard Consult March 22<sup>nd</sup> commented of the Managing Authority and European Commission representatives. For more detail please see Annexes I and II for information on ToR.

This midterm evaluation (MTE) examines the results of the Romanian SAPARD Programme 3 years into the life of the Programme. The evaluation aims to assess its consistency with the conclusions of ex-ante appraisal, and the relevance of the targets in line with those stated in the Programme and to provide recommendations for improvement of the Programme to meet the accession criteria.

### 1.1. The evaluation of the Programme

Article 5(1) of Council Regulation No 1268/1999 establishes that the SAPARD Programme (from hereon 'the Programme') must be subject to a midterm evaluation. The SAPARD implementing Regulation (EC no. 2759/1999) specifies that appraisals and evaluations shall be done taking account of established procedures for all candidate countries reflected in the Multi-annual Financing Agreement (MAFA) with each country. Article 10 of the MAFA sets out the conditions for the MTE and distributes responsibilities for its various aspects.

According to the 'guidelines for the evaluation of rural development Programmes supported by SAPARD' (p. 5) the **overall objective** of the midterm evaluation (MTE) of the Programme is to *supply information on the implementation and impacts of the Programme*.

The **specific objectives** of the MTE are;

- to increase the accountability and transparency of the Programme implementation
- to improve the implementation of the Programme by contributing to informed planning and decision-making concerning needs, delivery mechanisms and resource allocation

The **operational objectives** of the MTE are:

- to evaluate the continued appropriateness of SAPARD strategy in terms of relevance and (internal and external) consistency;
- to assess the appropriateness and effectiveness of the implementing arrangements (division of responsibilities, management, and control) as well as the monitoring system (as a source of information for evaluation and a tool for management);
- to evaluate the achievements of the SAPARD in terms of effectiveness and efficiency;
- to apply the common and programme specific evaluation questions, criteria and indicators;

- to assess the institutional impact of SAPARD as a means of preparing Romania for the implementation of the *Acquis Communautaire*;

Evaluator will henceforth strictly adhere to these objectives.

### **1.2. Evaluation methodology and data collection of the first phase of the MTE**

The MTE of the Programme has been carried out in two phases where the first phase was headed by URS Corporation, while the finalisation of the MTE was carried out by Kvistgaard Consult as subcontractor to URS Corporation.

The methodology during the first phase was based on a so-called “bottom-up, top-down, three-pronged approach” that was expected to provide information to answer the Common Evaluation Questions (CEQ) as required in the ToR.

The methodology during the first phase of the MTE was, as described in the report as of January 31<sup>st</sup> 2004, based on the following data:

- Desk study of existing documents
- Formal survey based on CEQs using a questionnaire
  - Eight questionnaires (one for each region) were delivered and explained to a named and designated responsible in the SAPARD regional office by one of the two parts of the MTE team; 5 questionnaires were received, 3 did not respond
- Preliminary Rural Appraisal (PRA) in the form of open forum debates at regional level
  - Eight regional meetings were organised, attended by approximately 1100 participants in total.
- Structured Rapid Rural Appraisal (RRA) of projects
  - A total of 44 projects were visited in person, of which 18 were M1.1 (agricultural products and fisheries processing) projects and 26 were M2.1
- A supplementary survey carried out through phone interviews with 72 project holders;

During the first part of the MTE the following persons and organisations were addressed.

- representatives of other county councils in the region
- representatives from other county Directorates of Agriculture
- other county Presidents
- indicated and potential beneficiaries
- applicants with rejected projects
- BRIPS
- the regional office of the MTCT
- producer associations
- regional banks
- representatives of service providers
- CEOs of agro-industries
- mass media representatives
- anyone else who the President – in consultation with the BRIPS – saw fit to invite

The new evaluation team as of the 23<sup>rd</sup> February found that the collected data was not sufficient as the statistical validity on the quantitative data gathered was found to be too low and consistency in the qualitative data needed improvement. The new evaluation team found hence that the approach needed adjustment and a more strict focus in order to elaborate thoroughly on the objectives of the Programme as well as focus on Evaluation Criteria, CEQ and Specific Evaluation Questions (SEQ) was required. In addition a more straightforward presentation of addressed organisations and persons was needed.

### 1.3. Additional evaluation methodology and data collection

The second phase of the MTE is henceforth building upon the existing information derived during the first phase of the MTE, but supplemented with information from a second round of data collection. This approach allows for extracting information from the first data collections and using this in combination with data derived from this second phase of the MTE. The evaluator finds that this approach is able to answer the evaluation questions with high validity.

Description of the methodology and the data collection methods can be structured as a set of criteria and questions that are analysed and answered through the adopted data collection and analysis. Hence the evaluator will in this report present the evaluation criteria that should be investigated, the evaluation questions (both CEQ and SEQ) that present a framework for analysis and the data collection activities evaluator used to answer the questions and criteria.

#### 1.3.1. Evaluation criteria

The evaluation is based on the evaluation criteria presented in the ‘Guidelines for the evaluation of rural development Programmes supported by SAPARD’. These criteria create an approach for the data collection and analysis and determine the structure of the MTE-report.

**Table 1 Description of evaluation criteria**

<b>Evaluation criteria</b>	<b>Definition</b>
Relevance and coherence	The assessment includes two aspects: An assessment of the relevance of the objectives of the project in relation to the needs and problems of the beneficiary (internal relevance) and an assessment of the project in relation to the objectives of the measure and the Programme.
Effectiveness	An assessment of the fulfilment of the project objectives. Are the expected outputs produced or purchased in accordance with the project application?
Effects	An assessment of the quantitative and qualitative results and impacts of the project outputs. As a supplement four specific evaluation criteria can be included in the assessment. These are defined as follows: <ul style="list-style-type: none"> <li>• <b>Deadweight effect;</b> a project activity would have been implemented also without the support.</li> <li>• <b>Additionality;</b> a project activity will be accomplished only because of the support.</li> <li>• <b>Leverage effect;</b> support to a project is gearing the investment through attraction of other financial sources hereby allowing for an increased multiplier effect.</li> <li>• <b>Displacement effect;</b> a project activity creates a new job, which is positive, but at the same time it erodes (displaces) an existing job in another location, which is negative.</li> </ul>
Cost-effectiveness	An assessment of the output produced in relation to the cost of the output.
Efficiency	An assessment of the value and utility of the results and the impacts compared to the



and utility	investments.
Sustainability	An assessment of the anchoring of the project output, results and impacts of the beneficiary. Will the output, result and impact last also in a longer time perspective or will they be eroded due to different reasons?

Source; Guidelines for the Evaluation of Rural Development Programmes supported by SAPARD

### 1.3.2. Evaluation questions

In order to present results on the evaluation criteria a number of evaluation questions are used. These questions are in part defined from the Commission in the ‘Guidelines for the Evaluation of Rural Development Programmes supported by SAPARD’ and in part evaluation questions developed and defined by evaluator in order to address issues in the national context. The answering of these evaluation questions allows for both cross-country comparisons on the achievements of the Programmes as well as country specific knowledge on the impact of the Programme.

On the assessment of the **support measures** the **SEQ** are primarily focused on the effects of the measure, however these can -when added to the knowledge of the programme level- give indications on the evaluation criteria for the Programme.

On the **programme level** the set of **CEQ** are to a major extent supplemented with additional and more thorough evaluation questions. This is especially in the evaluation of the administrative set-up as well as in the EIA.

The evaluation questions are as presented below further distributed into sets of criteria and indicators on these criteria. The general idea is that the assessment on the individual evaluation questions should be based on answering indicators end criteria. However as data collection and maturity on indicators in many cases is rather scarce, the evaluator will provide answers to the criteria in those cases where data does not cover observations on the indicator level.

**Table 2 An example of an evaluation question**

Evaluation question	Criteria	Indicators
1. To what extent has the Programme been conducive to adjust the agricultural sector and the rural economy to Community standards and to prepare them for the implementation of the <i>acquis communautaire</i> ?	Beneficiary sectors are more adapted to EU standards	Share of holdings/processing plants/enterprises in the agricultural/fishing sector or rural areas applying EU environmental standards on a regular basis (pct.) (a) of which assisted holdings/processing plants/enterprises (pct.)
	• As regards environment protection	
	• As regards human food quality and consumer protection	Share of agricultural/fishing production complying with EU standards for human food quality and consumer protection (pct.) (a) of which coming from assisted holdings/processing plants/enterprises (pct.)
	• As regards animal health and welfare	Share of holdings-processing plants/enterprises in the agricultural/fishing sector or rural areas complying with EU standards for animal health and welfare (pct.) (a) of which coming from assisted holdings/processing plants/enterprises (pct.)

	<ul style="list-style-type: none"> <li>As regards safety and hygiene conditions at the workplace</li> </ul>	Share of holdings/processing plants/enterprises complying with EU standards in the field of safety and hygiene conditions at the workplace (a) of which coming from assisted holdings/processing plants/enterprises (pct.)
	<ul style="list-style-type: none"> <li>As regard fishing standards and regulations</li> </ul>	Change in share of fishing enterprises complying with EU fishing standards and regulations (pct.) (a) of which assisted fishing enterprises (pct.)
	Increased awareness of private actors about EU rules and procedures for agricultural/fishing production	Share of rural population (households, holdings, farmers...) directly or indirectly reached by information or awareness raising campaigns funded by the Programme (pct.) (a) of which on issues linked to accession (pct.)

### 1.3.3. Data collection

Data from the first phase of the MTE is during this second part of the MTE used primarily as secondary data. Hence the data - along with other reports produced - constitutes the framework for a thorough desk research.

The second phase of the MTE has been comprised with additional data collection activities. As the answering of the evaluation criteria and questions cannot always be affirmed on quantitative monitoring indicators the evaluation criteria and questions will be answered through a portfolio of data sources. These are comprised by primary and secondary data sources, which are of both qualitative and quantitative nature.

**Table 3 Data structure**

	Primary	Secondary
<b>Qualitative</b>	Interviews with administrative staffs Interviews with stakeholders	Programming documents (Programme, ex-ante evaluation etc.) Previous MTE reports produced
<b>Quantitative</b>	Questionnaires for final beneficiaries	Monitoring tables Statistical surveys Annual financial reports

Using this approach evaluator can answer the evaluation questions with a high validity and reliability even though the development in the individual indicators is not always identified.

The secondary data is used in order to establish a solid foundation for the primary data collection activities. During the mid-term evaluation of the Programme the following data collection activities for gathering primary data have been carried out.

A round of **questionnaires** to all beneficiaries was initiated in order to accumulate information on the perception of results and impacts from the supported projects. The questionnaires were developed together with the MA and SA.

**Table 4 Results from the round of questionnaires as of 19<sup>th</sup> March 2004**

Measure	Number of beneficiaries	Number of targeted beneficiaries	Number of responses	Response pct.	Number of valid replies	Quantitative validity in pct.
1.1	28*	28	18	64.3	17	+/- 15.2
2.1	438	438	254	58.0	253	+/- 4.0
Total	466	466	272	58.4	270	+/- 3.9

\*additional 80 questionnaires were sent to beneficiaries that have a project approved *after* 30<sup>th</sup> June 2003 under Measure 1.1. The analysis of the results from these additional questionnaires fall outside the scope of this report and is hence reported separately.

A rate of return of 58.4 pct. of the total beneficiary population is a significant result, and everyone involved should be extremely pleased with this result. However the beneficiary populations are significantly different in size, which presents some minor problems.

Due to a limited number of projects and beneficiaries under Measure 1.1 the results from the questionnaires cannot in all cases be used to make a thorough statistical significant quantitative analysis. The results are however giving very strong indications on the perception of the beneficiaries, hence allowing for giving valid input to answering the EQ's.

Moreover a number of crosscutting issues relating to administration and environmental impact were addressed in all of the questionnaires, which hence allows for more significant results for answering questions relating to the Programme level and administration.

On the programme level **interviews with key stakeholders** were carried out. The information derived from these interviews are mainly targeting on the relevance, coherence and sustainability of the Programme as well as deriving suggestions for the future implementation of support programmes. Interviews were made with the persons presented in the table below:

**Table 5 Interviews with key stakeholders of the Programme**

Name	Affiliation
Mr. Dorel Condurat	Directorate for Rural Development within MAFWE
Mr. Aurel Popescu	Romanian Millers and Bakers Employers Association – ROMPAN
Mr. Florea Popescu	Romanian Milk Employers Association– APRIL
Mr. Ilie Van	Union of Poultry Growers in Romania
Mr. Ion Toncea	National Federation for Ecologic Agriculture – FNAE
Mr. Stefan Nicolae	National Federation of Trade Unions in Agriculture, Food, Tobacco and related Fields and Services– AGROSTAR
Ms. Clementina Ivan-Ungureanu	National Institute of Statistics

The interviews were conducted with members of the MC. In addition two interviews were conducted with independent NGOs in order to gather more information on the rural development perspectives of the Programme.

For gaining information on the **administrative set-up** a number of interviews were carried out with staffs at the Managing Authority (Mr. Eugen Teodorovici, Director) and the SA. The interviews included the persons presented in the table below.

**Table 6 Interviews with staffs at the SAPARD Agency**

Name	Title	Affiliation
Mr. Gheorghita Corbu		SAPARD Agency
Mr Dan Nicolae Gherghelas	Deputy Director	SAPARD Agency
Ms. Andreea Andrei	Director	Internal Audit Directorate
Ms. Costea Melania	Director	Control and Antifraud Directorate
Mr. Marin Georgescu	Director	Human Resources Directorate
Ms. Simona Lunceanu	Chief of service	IT Service
Ms Victoria Burtea	Director	Programme Coordination Directorate
Mr. Constantin Leonte	Director	Selection and Contracting Directorate
Mr Andrei Darlau	Director	Technical Assistance and Training Directorate
Ms. Puica Ghita	Chief	Internal Accounting Service

Interviews are developed following an interview guide and all minutes are currently kept with the evaluator. Based on the available and collected data evaluator concludes that viable and valid conclusions can be derived.

#### **1.4. Content of the report**

The report is structured round the following **four chapters**, which constitute the evaluation of the Programme and include assessments of the administrative system, the environmental impact assessment and the support measures.

In **chapter 2** the features of the Programme is presented. It will deal with the Programme implementation, objectives hierarchy, financial allocations, the context of the Programme implementation etc.

**Chapter 3** presents the evaluation of the accredited and implemented support measures focusing on answering the evaluation criteria and the specific evaluation questions.

Knowledge obtained from the evaluation of the support measures will be used in the overall evaluation of the Programme, which is presented in **chapter 4**. This chapter will produce answers to the crosscutting evaluation questions as well as it will present the assessment of the environmental impact and the administrative set-up.

Conclusions and recommendations to the Programme implementation and effects are presented in **chapter 5**.

## 2. The Programme implementation and design

This section describes the Programme design, its development and the contextual surroundings.

The European Commission approved the Romanian SAPARD programme in December 2000 and the conferral of management of Aid took effect with the internal accreditation of SAPARD at national level by the National Fund within the Ministry of Public Finance, and at European level by the EC – DG AGRI, through the Commission Decision on Conferral of Management of Aid no. 638 of 31 July 2002. The Programme was launched on 1 August 2002 meaning that the process of submission and official registration of application forms of the potential beneficiaries could be begin, at the Regional Offices for Implementation of SAPARD Programme.

### 2.1. Ex-ante evaluation of the Programme

#### 2.1.1. Assessment of the Ex-ante evaluation of the Programme

The ex-ante evaluation of the Programme included as chapter IV has been reviewed and will contribute to the assessment of the current implementation of the Programme.

The SAPARD Programme has been ex ante evaluated according to the Commission requirements as part of the programming process prior to approval of the *Plan* by the Commission according to Article 4(2), third indent and Article 5 of the SAPARD Regulation 1268. The *purpose* and *content* of the ex ante evaluation are described in different documents. The SAPARD Regulation states (whereas clause 15) that the ex ante evaluation should, *inter alia*, ensure that the Programme complies with real needs, and Article 4(2) states that the plan shall include “a prior appraisal showing the anticipated economic, environmental and social impact including effects on employment”.

In addition, the SAPARD Draft Evaluation Guidelines specify that the prior appraisal shall analyse the disparities, gaps and potential of the current situation and assess the consistency of the proposed strategy; assess the expected impact and quantify their targets; as well as verify the proposed implementing arrangements and consistency with the Common Agricultural Policy and other policies.

It is a specific objective of this midterm evaluation to assess the ex ante evaluation as part of the evaluation of the strategy of the SAPARD Programme. The rationality behind this objective is that the ex ante evaluation in principle should identify and point out, if the plan has any flaws, missing links or in other ways not in compliance with good programming practice and fulfilling the formal Commission requirements to an adequate Programme. Any problems identified in the ex ante evaluation should be addressed by the MAFWE in order to improve the plan prior to approval of the Commission. It is stated in the ex ante evaluation chapter of the programme that the MAFWE took the findings of the evaluation into account, although it is not clearly presented which of the recommendations the MAFWE actually did address.

However, the evaluator appreciate the iterative approach taken in the ex ante evaluation.

The ex ante evaluation presented in the Programme is in many ways a good chapter providing the MAFWE with some ideas and suggestions to improvements of the Programme. However valuable these inputs were for the MAFWE, the Midterm evaluator will like to emphasize a few issues, which delimited the use of the ex ante evaluation, as it is presented in the Programme.

First of all the ex ante evaluation is kept in very general terms and the analysis could therefore benefit from a more in depth approach. Second, several of the conclusions made in the ex ante evaluation seem reasonable; however relatively few concrete recommendations have been defined.

Assessed from a Midterm evaluation position the ex ante evaluation failed to highlight some issues of importance for the subsequent Programme implementation. These issues are outlined below.

### **2.1.2. The Programme strategy and priorities**

The ex ante evaluation discusses the suggested strategy with focus on the internal coherence and balance in the plan as well as the external coherence with other national policies addressing the problem complex at hand. The main point of the ex ante evaluator is that there is a good internal coherence in the Programme and among the measures, while the overall objective (general) with advantages could be redefined in order to make it more explicit. Moreover, the ex ante evaluator concludes that the balance between the measures may be inappropriate. Finally, it is recommended not to make the plan too broad, and it is suggested to focus on specific regions at measure level.

However, the discussion does not address the lessons learned analysis of the previous actions taken of the MAFWE in agricultural and rural development, and a more deep and detailed analysis of the priorities could have been expected. Further more the discussion does not turn out into operational recommendations for the MAFWE such as a more clearly defined and presented objectives hierarchy, which might have contributed positively to the implementation of the Programme. It would have been preferable if the ex ante evaluation did not limited itself to make a general outline of an objective hierarchy, by instead had applied it to the Romanian plan.

Associated with this is the fact that the ex ante evaluation does not pay much attention to the lack of quantification of targets, which is an important requirement according to the programming guidelines. Without quantified targets it is difficult to define the need for financial resources, to balance the interventions in accordance with the priorities, and it is difficult to evaluate the output, the results and the impacts of the interventions. Similarly it is important to define baselines and benchmarks in order to establish a full picture of the logic of the Programme and the rationality of the planned actions in the plan. It should, be stressed that output indicators and quantified targets on output level are defined in the plan, but quantification of targets on higher levels in the objectives hierarchy are absent.

A third issue related to these observations is the lack of adequately defined monitoring and evaluation indicators for the measures included in the plan. This was addressed by the ex ante evaluator, but it could have been done in a more fruitful way providing MAFWE with examples of indicators linked to the objective hierarchy.

### **2.1.3. Financial allocations**

Another issue without much attention in the ex ante evaluation chapter concerns the financial allocations proposed in the strategy. This issue is however considered important since there is a clear link between the objectives of the strategy and the financial resources available. Therefore it is important to assess the financial coherence of the plan and the financial balance between interventions. The ex ante evaluator states that the financial allocation between the measures are unclear, however no recommendations or suggestions for how to improve it is provided. This leaves the MAFWE without any recommendations concerning the weight given to the different interventions.

The realistic implementation of the plan should furthermore be assessed concerning the absorptive capacity of the sectors targeted with the measures. The plan is co-financed to a large extent with private funding and therefore it is important to know of the financial strength of the potential beneficiaries in order to predict the rate of utilization of the funds. It does not give any meaning to allocate a huge envelope of resources to a target group not capable of taking advantage of these resources due to lack of own funds. The ex ante evaluator does briefly touch this issue, but again it is kept in very general terms.

### **2.1.4. EU compliance**

A third issue not dealt with in a way that is needed is the question of compliance of the plan with EU policies, especially the CAP, but also other parts of the acquis, for instance on the environment related regulations, but several other regulatory issues should be covered.

### **2.1.5. Conclusion**

Summing up it is assessed that the ex ante evaluation could have provided the MA with a more in dept and detailed guidance in order for the MA to improve the plan in accordance with the guidelines of the Commission. As a consequence, the approved programme still has some of the missing links and/or weak argumentation, which should have been captured by the ex ante evaluation. As it will be clear from the mid-term evaluation, this has negatively affected the implementation hitherto.

## 2.2. Objectives of the Programme

The **overall objectives** for the National Plan Agriculture and Rural Development (NPARD) (page 130 in the Programme) are to:

- Contribute to the accession of Romania to the European Union
- Allowing that Romanian agriculture shall be reinforced in order to be able to cope with the Community market competition's pressure
- Improve the life conditions of the economic agents of rural areas.

The Programme classifies Romania's priorities for the sustainable development of its rural areas into four priority axes:

- Priority 1: Improving the access to markets and of the competitiveness of agricultural processed products;
- Priority 2: Improving infrastructures for rural development and agriculture;
- Priority 3: Development of rural economy;
- Priority 4: Development of human resources

In order to fulfil the overall objectives and the priorities the following **specific/strategic objectives** are defined:

- Sustainable development of an competitive agro-food sector by modernising and improving the processing, marketing of agricultural and fisheries products;
- To increase standards of living in rural areas by improving and developing the necessary infrastructures and by defining and setting up the good agricultural practice for sustainable agricultural and rural development;
- To develop the rural economy by setting up and modernising the fixed assets, for private agricultural and forestry holdings, developing and the diversifying the economic activities, in order to maintain and/or create alternative/supplementary incomes and new jobs;
- To develop human resources by improving the vocational training for farmers and owners of forestry lands and by building and consolidating the institutional capacity.

The objectives are addressed through 11 selected support measures; whereas three of the measures are included in the MTR (1.1, 2.1 & 4.2). The selected measures are:

- 1.1. Processing and marketing of agricultural and fisheries products
- 1.2 Improving the structures for quality, veterinary and plant-health controls, foodstuffs and consumer protection
- 2.1 Development and improvement of rural infrastructure
- 2.2 Management of water resources for agriculture
- 3.1 Investments in agricultural holdings
- 3.2 Setting-up producer groups
- 3.3 Agri-environment measures
- 3.4 Development and diversification of economic activities, multiple activities, alternative income



- 3.5 Forestry
- 4.1 Improving of the vocational training
- 4.2 Technical assistance

The objectives hierarchy for the three accredited measures are presented in the following sections.

### 2.2.1. The objectives of measure 1.1 Processing and marketing of agricultural and fishery products

The overall objectives of the measure are to increase the competitiveness of Romanian agri-food industries and to improve the efficiency, processing and marketing of agricultural and fishery products as well as to make the sector in compliance with the *Acquis* and to create or maintain jobs (the Programme page 168).

The specific objective of the measure is to assist selected enterprises with different sectors<sup>1</sup> with investments in modernisation of equipment and new technologies. Financial support has been prioritised for investments that enable companies to comply with the European Union normative requirements (veterinary and sanitary regulations and regulations regarding protection environmental protection). At the same time, investments should ensure an improvement in the competitiveness through the modernisation of technologies and equipment and rationalisation of production processes.

The intervention logic of the measure is as follows:

*Investments in the food processing industry are assisted (output) → Compliance with the European Union normative requirements and rationalisation of production is attained (results) → Competitiveness of the food processing industries is increased with positive implications on rural economy (impact) and the job situation.*

The rural development programme predicts support to 1900 projects, whit a majority of processing projects. The numbers of predicted projects broken down to sub-measure level is presented below:

**Table 7 Operational objectives**

Sub-measures	Total no. of projects	Projects for processing	Projects for storing
Milk and dairy products	450	300	150
Meat and meat products	490	300	190
Fruits, vegetables and potatoes	340	200	140
Wine making	190	100	90
Fish and fishery product	130	60	70
Cereals	160	100	60
Oil seed	30	20	10
Textile plants	60	60	-
Sugar	50	30	20
<b>Total</b>	<b>1900</b>	<b>1170</b>	<b>730</b>

Source; the Programme

<sup>1</sup> Meat, fish, dairy food, egg, fruit and vegetables as well as wine, textile, cereals, oil seed and sugar

### **2.2.2. The objectives of measure 2.1 Development and improvement of rural infrastructure**

Romania has decided to address the basic infrastructural needs of rural areas and thus providing the preconditions to prevent demographic and economic decline of these areas. The measure assists in development and improvement of infrastructure in rural areas and thus contributes towards its integrated development.

Overall objectives of the measure are (i) improving the infrastructure within rural areas; (ii) increase living and standards in rural areas as well as (iii) to maintain the population in the rural areas (The programme page 216).

In the Programme Romania intends to achieve the above stated overall objectives through the following set of specific objectives:

- Improve access to public network of village, county, national roads and railways;
- Increase of the standards of countryside access to tourists;
- Improve hygiene and sanitary conditions;
- Improve the environment

The Programme envisages support to 700 projects in the whole programming period, hereof 300 roads projects, 300 projects improving access to drinking water and 100 sewerage projects.

During this period 1500 km of roads and 3100 km of water pipes and 500 pumping stations as well as 1300 km of pipes for waste water and 300 pumping stations should be renovated or constructed.

### **2.2.3. The objectives of measure 4.2 Technical Assistance**

The **overall objective** of the measure is to assist in particular in the implementation and monitoring of the Programme and its possible subsequent modification.

The **specific objectives** are to;

- i. provide support for monitoring
- ii. ensure an adequate flow of information and publicity
- iii. support studies, visits and seminars
- iv. provide support for external expertise
- v. provide support for the assessment of the Programme (herein ex-ante, mid-term and ex-post evaluations)

There are not defined sets of operational objectives for the measure as the supported activities are quite diverse.

The **intervention logic** of the measure can however be identified as follows;

*Activities supporting the monitoring and implementation of the Programme are supported (output) → improved monitoring of the Programme implementation is realised (results) → improved implementation of support measures and administration leads*

to increased impact of the individual projects, measures and hence the Programme (impact)

### 2.3. Financial allocation under the Programme

This section presents the financial data for the Programme. The data is gathered from the latest revised Programme from August 2003 and from the financial monitoring tables.

According to the EU regulation 1268/1999 the financial support shall be in compliance with the principle in EU regulation 1258/1999. Moreover, article 3 in the same EU regulation states that '*any amount recovered by way of overpayment shall be transferred to the Commission. The amounts not transferred shall be subject to interest on arrears in accordance with the provisions of the Financial Regulation*'.

According to the material from the 5<sup>th</sup> National Monitoring Committee Meeting 47 payment claim files were by January 2004 submitted under measure 1.1. (out of 98 contracting projects). Hereof 25 payments have been authorised summing up to 183,4 billion ROL.

The similar figures for measure 2.1 are 88 payment claims out of 543 contracting projects and 41 payments have taken places, which sums up to 159,5 billion ROL.

As it is stated in the table below, the first payments were authorised in November 2003 cumulating in December 2003 and January 2004 with respectively 10 and 16 as well as 6 and 17. Within the period of the currently midterm evaluation (30th of June 2003) 3 payment files were received from the Regional Offices, however non were authorised at that stage.

**Table 8 Payment requested and executed 2003-2004 (billion ROL)**

	The no. of payment claim file received to Regional offices		The no. of the authorised payment claim files		The value of authorised payments (ROL)		The no. of paid payment claim files		The value of executed payments (ROL)	
	M 1.1	M 2.1	M 1.1	M 2.1	M 1.1	M2.1	M 1.1	M 2.1	M 1.1	M 2.1
July	3	0	0	0	0	0	0	0	0	0
August	4	0	0	0	0	0	0	0	0	0
Sept.	4	3	3	0	27.5	0	3	0	27.5	0
Oct.	8	9	2	2	21.3	0,8	2	2	21.3	0,8
Nov.	14	22	4	6	21.8	28.6	4	6	21.8	28.6
Dec.	7	33	10	16	70.1	67.5	10	16	70.1	67.5
January	2	8	6	17	42.4	62.4	0	0	0	0
<b>TOTAL</b>	<b>42</b>	<b>75</b>	<b>25</b>	<b>41</b>	<b>183.4</b>	<b>159.5</b>	<b>19</b>	<b>24</b>	<b>140.9</b>	<b>97.0</b>

Source: MC March 2004

The financial figures including budgeted public expenses and commitments respectively until July 2003 and until December 2003 are illustrated in the two tables below. The data are not in direct coherence with accounts reported by the Commission. The difference is mainly due to the use of exchange rate between ROL and EUR. Nevertheless the table draws a clear picture on the budgeted distribution of funds and the actual use.

**Table 9 Financial figures covering the implementation period until 30th June 2003 (EUR)**

Measure	Total budgeted public expenses 2000-2006*	Total budgeted public expenses 2000-2003*	Percentage of total budget 2000-2003*	Total committed 30 <sup>th</sup> June 2003**	Percentage of total commitments**
Measure 1.1	260,839,440	148,012,843	27.6	16,013,308	10.8
Measure 2.1	455,428,594	385,558,822	71.9	350,025,373	90.8
Measure 4.2	5,828,750	3,545,000	0.6	626,500	17.7
<b>Total</b>	<b>720,921,034</b>	<b>536,407,665</b>	<b>100.0</b>	<b>366,665,181</b>	<b>68.4</b>

Source: Monitoring tables

\*) Financial Plan, revised version August 2003, in 2003 prices (included in the NMC Material from January 2004)

\*\*) Monitoring tables, monthly reports

As the table above indicates 68.2 pct. of the total budgeted public expenses from 2000-2003 was committed by the 30<sup>th</sup> of June 2003. When looking at the committed resources as per the 30<sup>th</sup> of June 2003 it is apparent there has been a very low commitment (10.8 pct) of the funds allocated for measure 1.1. The same figure has risen to 34,6 pct. by December 2003 cf. table 3 below.

**Table 10 Financial figures covering the implementation period until 31st December 2003 (EUR)**

Measure	Total budgeted public expenses 2000-2006* EUR	Total budgeted public expenses 2000-2003* EUR	Percentage of total budget 2000-2003*	Total committed December 2003**	Percentage of total commitments**
Measure 1.1	260,839,440	148,012,843	27.6	51,274,020	34.6
Measure 2.1	455,428,594	385,558,822	71.9	350,025,373	90.8
Measure 4.2	5,828,750	3,545,000	0.6	611,500	17.2
<b>Total</b>	<b>720,931,034</b>	<b>536,407,665</b>	<b>100.0</b>	<b>401,910,893</b>	<b>74.9</b>

Source: Monitoring tables

\*) Financial Plan, revised version August 2003, in 2003 prices (included in the NMC Material from March 2004)

\*\*) Monitoring tables, monthly reports

By the end of 2003, 74.8 pct. of the allocated funds had been committed compared to 68,2 pct. by June 2003.

The above figures indicated that there have been difficulties in ensuring a sufficient up take of the Romanian SAPARD funds, especially regarding measure 1.1, where by the end of June only 10.8 pct. of the funds was committed. In the Annual Financial Agreement (AFA) for Romania for 2000 it is agreed that by the end of 2004 all the allocated funding needs to be settled by a payment on account, otherwise there will be a de-commitment cf. below.

If the conferral of management of aid takes place e.g. 2000 then the allocated funds has to be paid out by the end of 2004, otherwise the money will have to be de-committed by the Commission. This refers to the so-called n+4 rule<sup>2</sup>. It is though important to emphasise that it is not sufficient for the SAPARD Agency to make commitments; the Agency must authorize payments or approve payments claims.

As it occurs from the data above, Romania could face some difficulties with authorising sufficient payments and/or approve payment claims ensuring that all available funds are used. This indicates that Romania needs to speed up the implementation process. Based on the figures in table above, in total 150 payment claim files and authorised payment claim files were received by the end of December 2003 (183 including January 2004). The value of the authorised payment claims by December 2003 is 343 billion ROL being approximately 8.4 million EUR<sup>3</sup> in total and in average 56,154 EUR per. payment claim. 402 million EUR has been committed by December 2003. If this figure is to be turned into payment claims using an average of 56,154 EUR per claim, then approximately (more than) 7,000 payment claims need to be completed before December 2004. Finally, in order to make use of the entire budget for 2000 – 2003, approximately 10,000(!) payments claims need to be completed by December 2004.

#### **2.4. Relevance and balance of the Romanian SAPARD measures**

A brief outline of the relevance and the balance of the accredited and non-accredited measure are provided in the current section.

##### **2.4.1. Relevance of the accredited but not implemented measures**

Comparing each measure - both accredited and non-implemented – to the overall and specific objectives of the Programme, all measures seem to be relevant in order to contribute to achieve the defined objectives. Moreover, almost all measures are considered relevant comparing the objectives of the measures with the weaknesses and threats defined in the SWOT-analysis in the Programme (page 117-129).

The forestry measure is though considered to be less relevant comparing it with the problems and needs identified in the Programme. From an environmental point of view the forestry measure could be considered relevant, as it in the long run would help improving the biological diversity, ecology balance, protection of ground water and prevention of soil erosion. However, taken into consideration the current forest cover (28 pct.) in Romania and the quality of the existing forest it could be argued that the environmental benefits from this measure are few. In order to introduce new technology it could be argued that the measure is more relevant as the techniques used in Romanian forestry is old and outworked.

New technologies and machines could improve the processing of wood, however in order to create new jobs and income, this measure is not considered the most effective since forestry is a low labour intensive sector. Introducing new technologies will not

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<sup>2</sup> In most other candidate countries an n+2 rule was agreed their Programmes. This rule was for several of the countries e.g. Estonia, Lithuania and the Czech Republic changed in the AFA for 2003 to n+3.

<sup>3</sup> An exchange rate of 40.721 ROL/EUR has been used

necessary support a development of new jobs. Based on the above, the forestry measure seems to be less relevant in a Romanian SAPARD context, If it is to be implemented it could be considered only to introduce it in regions, where the forestry measure can make a difference. In other words it is suggested to apply the forestry measure in a strategic regional way.

#### 2.4.2. Balance of the accredited but not implemented measures

Based on the financial plan for 2000 – 2006 the following budgetary allocation between the priorities and the measures have been decided:

**Table 11 Budget allocation 2000 –2006 (EUR)**

Priority/Measures	Total costs*	Percentage
<i>Priority 1: Improving the competitiveness of processed agricultural and fisheries products</i>	702,016,481	29.8
1.1 Improving processing and marketing of agriculture and fishery products	643,412,531	27.3
1.2 Improving the structures for quality, veterinary and plant-health controls, foodstuff quality and consumer protection	58,603,950	2.5
<i>Priority 2: Improving infrastructures for rural development and agriculture</i>	503,655,098	21.4
2.1 Development and improvement of rural infrastructure	455,428,594	19.3
2.2 Agricultural water resources management	48,226,504	2.1
<i>Priority 3: Development of rural economy</i>	1,062,052,843	45.1
3.1 Investment in agricultural holdings	462,828,934	19.7
3.2 Setting – up of producer groups	30,857,917	1.3
3.3 Agricultural production methods designed to protect the environment and maintain the countryside	43,899,504	1.9
3.4 Development and diversification of economic activities, multiple activities and alternative incomes	310,747,376	13.2
3.5 Forestry	213,719,112	9.1
<i>Priority 4: Development of human resources</i>	88,877,756	3.7
4.1 Improvement of the vocational training	81,049,006	3.4
4.2 Technical assistance	5,828,750	0.3
<b>TOTAL</b>	<b>2,354,602,178</b>	<b>100.0</b>

Source: Financial tables from the 5<sup>th</sup> NMC.

\* Calculated in 2004 Prices

As it is illustrated in the table above the majority (45 pct.) of the available funding is allocated for priority 3 with respectively 19.6 pct. allocated for measure 3.1 ‘investments in agricultural holdings’ and 13.2 pct. for measure 3.4. ‘development and diversification of economic activities and multiple activities, alternative incomes’.

Currently the first application round is being prepared for these two measures as well as for measure 4.1 ‘vocational training’. According to the interviews with different stakeholders measure 4.1 is considered to be extremely important, as there is a great need for investments in human capital in terms of education and training within almost all sectors supported under the Programme. One of the weaknesses mentioned in the SWOT

matrix relates to the low qualitative structure of the agricultural working force due to a low degree of qualification of the population occupied in agriculture compared to other branches. The money allocated for vocational training represents approximately 3,5 pct. of the total funding. Based on the priority given by almost all stakeholders it cannot be excluded that a re-allocation in favour for measure 4.1 will be necessary.

The other two new accredited measures are also considered important. Measure 3.1 'Investments in agriculture holdings' is relevant as it supports the modernisation and the efficiency of the Romanian farming structure. Measure 3.4 on the other hand is relevant since it provides opportunities for the development of niche activities in rural areas, particularly for family farms that neither have the financial or technical resources to become competitive in the agricultural sector.

#### **2.4.3. Non-accredited measures**

##### **M 1.2 Improving the structures for quality, veterinary and plant-health controls, foodstuff quality and consumer protection**

The overall objective of this measure is to contribute to the implementation of the *acquis* within the sanitary-veterinary, plant-health and foodstuff quality control fields. This measure is considered to support the sustainability and success of M1.1 and thus the output and export of processed products. As such, the importance of this measure should be reflected in its implementation in the near future due to its role and vital link with the processing and marketing sector.

##### **M 2.2 Agricultural water resources management**

The overall objective for this measure is to ensure sustainable management of water resource in rural areas and to rehabilitate and preserve the environment. This measure addresses the issue of management of water resources adequately. However, the presence of soil salinity, soil erosion and poor cultivation practices endangers the benefits of this measure. Its integration with other measures will ensure that the full benefit and aims intended by the Programme will be reached.

##### **M 3.2 Setting up producer groups**

The Programme emphasis the importance on the promotion of producer associations<sup>4</sup> as a way of increasing the bargaining power of small- and medium-sized family farmers, as well as their share of SAPARD investment. Currently, a little more than 1 pct. of budget has been allocated for supporting producer groups, which include support for establishment, management and administrative expenses of Producer groups. This level of investment does not reflect the importance that MAFWE attach to this measure, but the anticipated level of absorption.

##### **M 3.3 Agricultural production methods designed to protect the environment and maintain the countryside**

In relation to Measure 3.3 on 'agricultural production methods to protect the environment and maintain the countryside' some observations should be mentioned. The inclusion of the measure seems to be very relevant, though compared to the described objectives and problems the allocated amount (1.86 pct. of total expenditures) seems

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<sup>4</sup> Romanian producer associations tend to be a small group of relatively large and powerful vertically integrated producers.

to be rather limited. It should be considered to increase the amount available. The specific objectives are well targeting problems related to decrease of soil quality and fertility, erosion, general loss of habitats, and general destruction of certain ecosystems.

It is in the description well in line with implementation of the acquis related to “agricultural regulation”. It should be considered to specifically mentioning of the nature related regulations (especially the Natura 2000 network) and prioritize actions related to this in connection with conservation of biodiversity and landscape objectives. This concerns also the eligibility criteria where specific criteria have been related to mentioned counties in the planning for the measure.

It should again be considered to broaden the criteria related to geographical areas to secure support for conservation of biodiversity related to other EU regulation. Similarly the output indicators could include indications of ha. in the draft Natura 2000 network where support will improve the conservation status for relevant habitats and species in the network. The financial disposition with the aid granted in the framework of the measure equal to 100 pct. seems to be well chosen.

### **M 3.5 Forestry**

See the comments made above concerning this measure

Summing up, the design of Romanian SAPARD programme are very broad as the Programme has included 11 of the 15 available SAPARD measures and it covers ranges of sectors. Taken the situation concerning the use of funds into consideration it seems essential to speed up the implementation process. This does however not necessary imply that all measures needs or should be accredited right here and now or to include even more sectors. Instead - e.g. based on feasibility studies -it is suggested to identify the absorption capacity for potential beneficiaries and the different sector in order to utilise the SAPARD funding in an optimal way and at the same time ensuring that the funds are used.

## **2.5. Background information on Romania**

### **2.5.1. Demographic/economical issues**

Romania is the second largest country of the 12 EU candidate countries. In terms of area and by the 23 million hectares it is representing approximately a fifth of the overall CC-12 surface. Romania is a medium dense populated country, with a overall population of 22.4 million and a population density of 97 inhabitants/km<sup>2</sup> (FAOSTAT, 2002).

Since, the change of political system in 1989 Romania has undergone a major structural change with regards to the economical systems and economical reforms. The overall employment has changed towards more employment in the service sector. Nevertheless, the Romanian agricultural sector has employed more people than the industrial sector in this period, which is very contrasting to the other accession countries. The primary reason for this development has to be seen as a result of two major



national policies: the privatization and the restitution of land, which gave the opportunity to get ownership of the land (World Bank Poverty Assessment: 2003).

With special regards to the economical growth rate in capita GDP the economical reforms did not have an immediate successful influence on economic key indicators. Due to a difficult transition period from an economy based on socialistic principles towards an economy based on the market forces, the 1990ties was characterized by a negative growth. The annual growth rate, calculated in GDP, was for instance in 1997 6 pct. but at the entrance to the new century the negative economical growth rate was changed in a positive direction (Annual statistical Yearbook, Eurostat 2003).

### **2.5.2. Agricultural background**

The Romanian natural resources are heavy utilised especially with regards to agricultural utilization. 14.8 million hectares of the total arable area is Utilised Agricultural Area (UAA) (Statistical yearbook, Eurostat 2003), which is comparable with approximately 62 pct. of the total arable land area in Romania. Compared with the present situation in the EU-15 the average utilized area is 40.6 pct.

The Arable land as a proportion of Utilized Agricultural Area is also high being 63.4 pct. (FAOSTAT 2002). However these vast natural resources cannot be fully exploited until agricultural restructuring progresses further in a positive direction.

It is reported that there is a rapid and significant farm consolidation, particularly in the southern plains, so that it is now estimated that around 40 pct. of the arable area is farmed by very large production units. The remaining areas are farmed by very small entities. These trends are not revealed in official statistics, and the last general census on which they are based was in 1948. Informal arrangements to rent or lease land or to put it together in some other way to form large management blocks are not recorded but are nevertheless clearly substantial. There is a widespread awareness, among the Romanian people of the need to consolidate the land into large blocks (which does not mean relinquishing individual private ownership or control) to justify profitable mechanisation of the farms. Recent policies in Romania have also favoured large-scale farming (Poverty Assessment, World Bank, 2003).

### **2.5.3. Environment and Agriculture**

Approximately 40 pct. of the agricultural land in Romania is subject to erosion with an average rate of 16.5 t/ha/yr and large areas are subject to drought. During the socialist period in Romania there was constructed large-scale irrigation systems (covering 3.2 million hectares in 1989), which has attributed to an aggravation of the soil salination problems across huge areas. Overgrazing, especially on mountain slope areas have also created local problems.

Agricultural production has altered considerably from the socialist period as a result of privatisation. There have been remarkable changes in land uses; pastureland has increased by around 380,000 ha, vineyards and hay meadows have increased, whereas orchards have decreased by over 43,000 ha. The total arable land registered decreased by approximately 770,000 ha. and large areas of land have been taken out of agricultural use, principally for infrastructure development (400,000 Ha)(FAOSTAT, 2003).

Agri-environmental problems are considered to be widespread. The factors that contribute to the agri-environmental problems are both natural and as a consequence of human activity. The natural problems are often compounded by combinations of poor management decisions, lack of financial investments, lack of expertise and inherited causes from the previous regime.

It is estimated that 80 pct. of agricultural land is subject to one or more degrading factor, such as:

- Drought and desertification
- Soil salination
- Soil erosion
- Land slips
- Soil contamination
- Soil compaction
- Air pollution
- Surface water pollution
- Ground water pollution

## **2.6. Contextual issues affecting the Programme implementation**

A range of factors determine the possibilities and willingness to invest and the attractiveness of the Programme. Here are listed only a few, which the evaluator considers to be some of the major external factors influencing the implementation of the support measures.

A major external factor is of course the future EU membership. Especially in the foodstuffs sector the future expectation about the benefits and costs under the new system proposes constraints in the incentives for investments. Investments in the sector have often a long time horizon and very often the investments are irreversible. However the possibility to access new markets creates incentives to invest rapidly in order to gain benefits from the increased market access.

Distribution of information about support schemes is crucial in securing that all potential beneficiaries gain knowledge on the opportunities of support. Hence an efficient and effective dissemination of information through regional offices, extension workers, different kind of media etc. is very important in order to reach *all* potential beneficiaries.

The absorption capacity, i.e. the possibility for potential beneficiaries to actually raise money to invest, is another key element. It is often so that those beneficiaries needing investment most also have scarce capital resources and hence no real opportunity to gain access to the support funds. On the aggregate level it should be considered if the rural economy as a whole does have sufficient savings or access to credits to apply for the total funds available under the measures.

The absorption capacity of the potential beneficiaries is in close connection with the credit arrangements in the rural areas. Hence in order to receive support under the Programme private co financing, including credit arrangements have to be in place. This might pose a constraint for many potential beneficiaries.

Another contextual constraint concerns the so-called exchange rate problem. Currently, the SAPARD contracts are drawn in the national currency instead of in EUR, which indicates that the beneficiaries takes an exchange rate risk applying for SAPARD funding. It is estimated by the first evaluation team that the exchange rate risk has led to an estimated actual average increase in project costs of at least 20 pct. and excessive administration costs. As mentioned above the beneficiaries carry these 20 pct. burdens. The possibility to switch from ROL to EUR has been considered before by the National Fund under the Ministry of Public Finance, and according to the first evaluation team the currency of the SAPARD contracts will be changed to EUR at the earliest opportunity. This indicates that the risk burden is moved from the beneficiaries to the state. It is though not uncomplicated to make this switch both in relation to costs but also regarding the practical implementation, e.g. it could be impractical applying a currency switch to on-going projects.

The SAPARD programme contains a range of dilemmas, which to some extent are reflected in the contextual issues listed above. At the overall level there is a tri-angled dilemma between Agricultural effectiveness vs. Rural Development vs. Environment and Nature. The objectives of the Programme contain all three pillars each reflecting different needs in Romania. The challenge is to make a balanced Programme that considers this dilemma.

At the more practical implementation level another dilemma can be identified. At the one hand there is an intension to minimise the risk rate and at the same time there is an intension to increase the absorption of the funding by attracting additional beneficiaries. It cannot however be ignored that there are negative side effects hereof. First of all, by increasing the absorption capacity there might be a risk of setting aside the re-structuring process of the agriculture sector, since several small farmers will become eligible for support, which cannot in a long term agricultural structuring process be considered sustainable. Moreover there might also be problems relating to the discussion of additionally and thereby also the potential of deadweight, which again might influence the sustainability of the Programme.

It is important for the evaluator to emphasize these issues in order for the MA to consider what if anything could be done to incorporate them in the future programme implementation strategy.

### **3. Midterm evaluation of measures under the Programme**

This chapter presents the assessment of the support measures. Each support measure is presented and the evaluation criteria and questions are answered for each individual support measure.

The results from the assessments are hereafter used in order to assess the Programme. Conclusions and results from the chapter are presented in chapter five.

#### **3.1. Midterm evaluation of measure 1.1**

Measure 1.1 ‘Improvement in Processing and Marketing of Agricultural and Fishery Products’ corresponds to Priority 1 of the Programme. The measure was accredited in 2002 and in the period up till 30<sup>th</sup> June 2003 there were received 99 project applications, out of which 28 were approved.

##### **3.1.1. Relevance and coherence**

M 1.1 provides funds for the improvement and rationalisation of processing and marketing of agricultural and fisheries in order to implement the *acquis communautaire*. Its intended effect is to increase the competitiveness and added value of products, thus becoming a potential catalyst in creating new jobs in rural areas.

A positive development of the added value of production from 1990 to 1998 indicates the potential of Romanian production of processed goods. Therefore an adequate allocation of funds for viable projects in this sector can be identified as feasible and fundamental for the development of a functioning and competitive processing sector and rural economy.

The investments in rural infrastructure under measure 2.1, particularly in providing potable water supplies, waste water cleaning and safe disposal of waste material, will benefit the agri-business overall and enable smaller companies to improve the environmental impact of their production processes. Data from the first evaluation phase identifies the lack of public environmental infrastructure (such as access to water, sewage etc.) as hindering of the development of processing plants by smaller companies and family farms under measure.

From this information the measure is found to be in coherence with the needs in the rural areas as well as in internal coherence with other measures in the Programme. Also in relation to the economy in general (external coherence) a strengthening of the agri-business is pertinent in relation to economic development of rural areas as well as the economy in general.

### 3.1.2. Effectiveness

The effectiveness of the measure is measured by looking at the fulfilment of the expected activities measured by number of projects and allocated funds, i.e. the reaching of the operational objectives as presented in section 2.2.

**Table 12 Status of Applications received by the SAPARD Agency on 30<sup>th</sup> June 2003**

Projects	Submitted	Rejected	In process	Approved	Total value of approved projects in million EUR*
Milk and dairy products	28	5	16	7	7,23
Meat and meat products	51	6	28	17	19,68
Fruit, vegetables and potatoes	7	1	4	2	2,70
Wine	6	0	4	2	2,45
Fish	3	0	3	0	0.00
Cereals	4	0	4	0	0.00
Oilseeds	0	0	0	0	0.00
Sugar	0	0	0	0	0.00
<b>Total</b>	<b>99</b>	<b>12</b>	<b>59</b>	<b>28</b>	<b>32.06</b>

Source; *Monitoring tables*

\*comprised of 37 pct. EU contribution, 13 pct. national funds and 50 pct. private funds

The number of project applications received for measure 1.1. during the period August 2002 till May 2003 was lower than the forecast, as the total financial allocation requested only represents 43 pct. of the available SAPARD funds for the years 2000-2001.

The major part of the approved projects (61 pct.) is in the red meat sector, whereas the remaining sectors lag behind. The lack of approved projects in the fishery sector seems to be an error, as the evaluation team made a case study, which had successfully applied for support under the measure.

Seen in relation to the operational objectives of the measure the distribution of projects and funds is biased towards the red meat sector, which make up 61 pct. of the project values compared to the planned 23 pct.

The reason for this bias shall be seen in the fact that only 1.5 pct. of the 1,900 planned projects have been carried out, hence what can be seen is not a bias towards the red meat sector, but rather a bias away from applications for support under the Programme. The low level of activity can also be seen in the commitment of funds where only 4.3 pct. of expected projects – measured in total costs – have been realised.

**Table 13 Total eligible project value by type of activity**

	Million EUR*	Pct.
Adaptation to EU standards	0.12	0.4
Improve storage capacities	0.00	0.0
Improve or rationalise processing procedures	9.76	30.4
Improve the presentation and preparation of products	0.49	1.5
New investments in capacities for processing, storing and marketing	19.31	60.2
Improvement in monitoring product quality (laboratories/equipment)	0.00	0.0
Adoption of technologies for new products and up-to-date packaging	2.38	7.4
Better use and elimination of processing by-products or waste	0.00	0.0
<b>Total</b>	<b>32.06</b>	<b>99.9</b>

\*comprised of 37 pct. EU contribution, 13 pct. national funds and 50 pct. from the beneficiary

Source; SAPARD monitoring tables

The main demand, 60 pct. by value, is for projects aiming at expanding their capacity, and the demand for rationalising existing capacity is half of this level at 30 pct. According to the Programme regulations, this extra capacity is not allowed in urban areas. This seems to be unpractical since processing facilities are sited – due to historical reasons – in urban areas.

The evaluator identifies that the effectiveness has been negatively affected by a number of constraints. The constraints have been identified through the field surveys and public meetings as well as through interviews with a number of stakeholder, administrative staffs and the round of questionnaire. The factors can be briefly be summarised in the following list, which presents those factor evaluator has found from the various respondents to be most pressing:

Firstly, the *knowledge of the Programme* is not widespread among potential beneficiaries, which indicates that more efforts could be devoted to dissemination of information through the relevant information carriers.

Secondly, it has been stated by both stakeholders and beneficiaries that it is *difficult to live up to the eligibility criteria*. This is interpreted as on the one hand identifying what eligibility criteria that are required and on the other hand how to live up to these, e.g. the documentation of *proper qualifications* has to be assessed on a project to project basis, which leaves room for interpretation.

Thirdly, most beneficiaries interviewed state that there is a *very long processing of applications*. In many cases the time from submission of an application until an answer is received has lasted for six months.

Fourthly, a number of the interviewed beneficiaries find the *application procedures too bureaucratic*. This statement is supported by stakeholder interviews, questionnaires and case studies and gives hence a clear indication of a need for simplification and/or information on the application procedures.

Fifthly, the *EUR/ROL exchange rate fluctuations* propose additional costs for the beneficiaries. E.g. one beneficiary states that his own financing increased from 50 pct. to

almost 70 pct. due to the worsening of the exchange rate from the time of signing the contract to reimbursement, hereby violating the economic feasibility and viability of the supported project.

Sixthly, some beneficiaries state that the *EIA procedures delay* the project application and implementation. This information needs however further verification.

Seventhly, the *absorption capacity* of the sector could be lower than anticipated subject to:

- a) still a large share of state owned enterprises, or enterprises with more than 25 pct. state ownership
- b) a large share (85 pct.) of the industries are sited in urban areas, where only modernisation of exiting capacity is allowed
- c) indebtedness of companies makes them unable to document financial feasibility though the project might be economic viable

Finally, the *differentiated co-financing rate* creates fewer incentives for those sectors in the agri-food industry that receives a lower co-financing rate, i.e. cereal, oilseed and sugar.

#### Eligibility and selection criteria

From the round of questionnaires the following observations was made.

**Table 14 Appropriateness of the eligibility and selection criteria for being able to get support**

(Percent)	Very appropriate	Appropriate	In-appropriate	Very inappropriate	I don't know
Documentation on the financial status	56.3	43.8	0.0	0.0	0.0
Private financing rate: 50 pct. of eligible expenditure with exception of sugar, cereals and oil seeds that must be at least 70 pct.	12.5	75.0	12.5	0.0	0.0
Minimum 3 years professional experience	18.8	68.8	12.5	0.0	0.0
Business plan only for investments above 50.000 EUR	50.0	37.5	6.3	0.0	6.3
Minimum capacities of new investments in terms of processing raw materials	41.2	35.3	17.6	0.0	5.9
High scoring of projects in rural areas with high productive potentials	56.3	18.8	18.8	6.3	0.0
High scoring of projects for traditional products	25.0	62.5	6.3	6.3	0.0
High scoring for projects with established contractual relations to producers of raw materials	37.5	25.0	31.3	6.3	0.0

Source: Questionnaires for M 1.1 N=16

From the table it appears that the eligibility criteria in general are found appropriate, which is supported by the interviews conducted with stakeholder. However when comparing the eligibility criteria some differences appear.

The two most conspicuous criteria relates to the private financing rate and the qualification criteria. Regarding the former it should be mentioned that the programme has already launched a 50/50 funding for all projects under the measure, which the evaluator acknowledges. The redesign relates to those sectors that previously only received 30 pct. co-financing. These sectors can now realise a higher degree of co-financing *if* they adhere to some more strict requirements regarding hygiene and environmental standards. The evaluator finds that this inclusion will create additionally of the measure.

Regarding the degree of qualifications needed for undertaking the investments the evaluator finds, and is supported by a number of stakeholders, that there is an inappropriate current arrangement of the measure, as beneficiaries are required to receive training under measure 4.1 ‘vocational training’, which has not yet been accredited. In addition some stakeholders and beneficiaries find that the criteria is subjective and hence not appropriate. The evaluator finds that there should be requirements regarding skills and level of education for undertaking the investments, but that these should be documented in the feasibility study for the smaller project and in the business plan regarding the larger investments.

A number of beneficiaries are not satisfied with the requirements for contractual linkages to primary producers and the geographical focus in relation to production potentials. Regarding the former, evaluator acknowledges the processing companies concerns over this requirement as it might include some transaction costs for setting up these linkages as well as large share of the inputs are imported. The evaluator however finds this requirement relevant and in coherence with the needs and ambitions of creating a national competitive agricultural sector. Hence the results from the questionnaire underscore the importance of inclusion of M3.1 for upgrading the primary production so as to facilitate a larger supply of quality products from the primary sector.

Regarding the focus on the production potential of the area, evaluator here too finds that the criteria is relevant in order to direct funds from the Programme to projects with high impact potentials. Evaluator supports this criterion as it opts for higher additionally of the supported activities.

### **3.1.3. Monitoring**

The evaluator has identified some inconsistencies regarding the monitoring of the Programme and the support measures. Monitoring of the Programme is a continuous process, which allows for up to date information on activities, outputs, results and impacts. The information should however be collected on a cost-efficient manner.

The evaluator therefore presents a draft on how a set of monitoring indicators for M1.1 *could* be developed. The indicators should be assessed in each individual project *ex ante*, i.e. when a project proposal is submitted and include baseline and expected effects and *ex post*, i.e. when final financial claims for funds are being made reporting on the realised effects.



Using this approach a more in-depth investigation of the Programme will be able to relate additional findings to these monitoring figures.

**Table 15 A proposed set of monitoring indicators for M1.1**

Field of intervention	Output	Result	Impact
<i>Measure 1.1: Improving the processing and marketing of agricultural and fishery products</i>			
<i>Milk &amp; dairy processing</i>	<ul style="list-style-type: none"> <li>technology for primary processing of milk</li> </ul>	No. of assisted milk processing enterprises in compliance with EU-standards (ISO & HACCP) 2000: 17 2006: 30-35  Whey processed on assisted processing enterprises [tons/year] 2000: 2006: 350.000	Gross value added for assisted processing enterprises [€] (1998=100) 2000: 2006: 123  Quality of agricultural and fishery produce  Working conditions  Pollution from assisted processing enterprises due to reduction in animal waste and by-products
<i>Meat processing</i>	<ul style="list-style-type: none"> <li>slaughterhouses established or modernised</li> <li>rendering plants established</li> </ul>	No. of assisted meat processing enterprises in compliance with EU standards (ISO & HACCP)  Animal waste rendered on assisted processing enterprises [ton/year] 2000: 2006:50.000	
<i>Fruit and vegetable processing sector</i>	<ul style="list-style-type: none"> <li>fruit and vegetable processing and packing equipment</li> </ul>	Processing capacity 2000: 80.000 tons 2006:	
<i>Fish processing</i>	<ul style="list-style-type: none"> <li>fish landing facilities created</li> <li>fishery auction halls</li> <li>fish processing facilities modernised or constructed</li> </ul>	No. of assisted fish processing enterprises in compliance with EU standards (ISO & HACCP) 2000: 2006:15	
<i>Crop processing</i>	<ul style="list-style-type: none"> <li>laboratory testing equipment</li> <li>primary fiber flax treatment lines</li> </ul>	No. of assisted grain processing enterprises in compliance with EU standards (ISO & HACCP)  Fiber flax processing capacity	

### 3.1.4. Effects

A vast number of direct and indirect effects can accrue subject to the supported investments. This section will give answer those questions that are directly relevant for the evaluation of the Programme.

### Deadweight effect

A major counter productive effect in a support programme is the observation that a project would have been realised and to the same extent *even without* the support hereby eliminating any additionality of the programme.

The Programme has so far supported only a few projects, however from these project the picture is quite clear. For the major part (77 pct.) the Programme has been supporting ‘to a very large extent’ and additionally it can be observed that *none* would have invested in more than 75 pct. of the projects had the support not been available.

**Table 16 To what extent would you say that the investments were depending on SAPARD support?**

The investments were depending on SAPARD support	Pct. of respondents
To a very large extent	76.5
To a limited extent	17.6
Not very much	0.0
Not at all	5.9
I don't know	0.0
Total	100.0

Source: Questionnaires for M 1.1 N=17

**Table 17 How large share of the investment would have been realised if you have not received SAPARD support?**

Share of investments, that would have been realised without SAPARD support	Pct. of respondents
None	5.9
1-25pct.	11.8
26-50pct.	23.5
51-75pct.	58.8
76-99pct.	0.0
All of them	0.0
Total	100.0

Source: Questionnaires for M 1.1 N=17

On the other hand there are however indications of deadweight effects. About one fifth of the beneficiaries indicate that the investments only to a ‘limited extent’ were depending on the Programme in addition more than half (59 pct.) of the beneficiaries would have invested in more than half of the project volume. This signals that the beneficiaries would have carried out the investments and hence that the additionality in these projects is smaller.

Nevertheless the additionality in the projects might still be present also in those projects that would have been carried out, as the additionality might lie within implementing standards and procedures that impose a lower environmental impact, EU minimum standards or simply speed up the implementation of the projects. Interviews with stakeholders are found to support this last observation and evaluator hence concludes that even though indications of deadweight effects can be observed these are not significantly hampering the additionality of the Programme.

**To what extent have the supported investments helped to increase the added value of agricultural and fishery products through improved and rationalised processing and marketing of products?**

The measure is supporting introduction of new equipment. Hence there is an implicit improvement in the capacity simply because new and better technology is implemented. These improvements in the processing procedures and effectiveness in the use of input factors do facilitate an improvement in the individual firms ability to compete.

Nevertheless the competition is affected by more factors than the introduction of new equipment. Therefore a more limited positive effect can be observed in relation to increase in outlets for new and existing products.

**Table 18 To what extent have the supported investments facilitated...**

(PERCENT)	To a large extent	To a limited extent	Not very much	Not at all	I don't know
Introduction of rational processing procedures	62.5	18.8	0.0	12.5	6.3
A more effective use of production factors	70.6	11.8	5.9	5.9	0.0
An increase in the quality of the products	82.4	11.8	0.0	0.0	5.9
An increase in the company's competitiveness	88.2	5.9	0.0	0.0	5.9
An increase in outlets for existing products	58.8	23.5	5.9	5.9	5.9
An increase in outlets for new products	52.9	17.6	17.6	5.9	5.9

Source: Questionnaires for M 1.1 N=17

But the effects on the internal production capacity are indisputable and roughly two-thirds of the beneficiaries indicate that the supported investments have facilitated higher productivity 'to a large extent', which must be acknowledged as a significant result.

**Table 19 To what extent has the supported investment facilitated...**

(Percent)	To a large extent	To a limited extent	Not very much	Not at all	I don't know
Higher productivity	64.7	29.4	0.0	0.0	5.9

Source: Questionnaires for M 1.1 N=17

The finding is supported by the data collection of the first part of the MTE, where especially the case studies indicate that there have indeed been improvements in the internal capacity and efficiency through the supported activities.

**To what extent have the supported investments helped to increase the added value and competitiveness of agricultural products by improving their quality?**

The effect on the internal production capacity will ceteris paribus allow for a more competitive business, at least in the medium term. But as indicated above the implication on the ability to sell the company's products is less affected.

**Table 20 To what extent has the supported investment facilitated...**

(Percent)	To a large extent	To a limited extent	Not very much	Not at all	I don't know
Higher quality of the company's products	82.4	11.8	0.0	0.0	5.9
Higher value added and profitability	52.9	41.2	0.0	0.0	5.9
Ability to compete on EU markets after the supported investments	52.9	35.3	0,0	5.9	0.0

Source: Questionnaires for M 1.1 N=17

This observation is supported in the table above. Even in spite of a low significance of the results is very clear that the effectiveness in the production and not least the *quality* of the products is positively and to a large extent affected by the support.

Higher value of the products can also be observed as a result leading to higher profitability of the production and in addition that this allows for increased competitiveness also on the EU markets. This competitiveness should however be seen in relation to a low baseline, hence any improvements in a e.g. meat slaughtering company, which introduces EU standards will entail a step towards entering the EU markets.

**To what extent have the supported investments improved health and welfare conditions in compliance with EU standards?**

From the table below it is evident that all investments are aimed at improving hygiene and quality of the products. A reason for this observation is of course that most investments leads implicitly to introduction of more clean operations.

**Table 21 Extent to which investment aims to hygiene and quality of products**

	To a very large extent	To some extent	Not very much	Not at all	I don't know
(Percent)	88.2	11.8	0.0	0.0	0.0

Source: Questionnaires for M 1.1 N=17

However the question asked relates to the objectives of the investments and not to the results, hence it can be concluded that there is a phytosanitarian focus of the supported investments. Again turning to the deadweight effect of the measure evaluator concludes, supported to results from interviews with stakeholders, that the Programme establishes a benchmark for performance, which hence gives additionality in the supported projects.

**Table 22 How have the supported investments affected the...**

(Percent)	Significant improvement	Limited improvement	No improvement	Worse than before the investment	I don't know
Working conditions	82.4	11.8	0.0	0.0	5.9
Animal welfare	21.4	7.1	50.0	0.0	21.4

Source: Questionnaires for M 1.1 N=14-17

New technology also improves the working conditions. This might not be the highest priority, but with the introduction of new technology improved working conditions is an integral part of the supported investments. Hence the welfare for the staffs affected by the projects has been improved.

The same cannot be stated for animal welfare, at least not in general terms. Improvement of animal welfare in the processing line is limited to the phase where live animals arrive to the slaughtering until they are slaughtered. Not many projects carry this focus and therefore the implications are generally less.

However when looking at the veterinary standards these have been adopted on about half the supported investments. This fact shall be seen in relation to the number of supported investments in the meat-processing sector, which accrues to more than half the projects.

**Table 23 To what extent has the supported investment facilitated...**

(Percent)	To a large extent	To a limited extent	Not very much	Not at all	I don't know
Adoption of new veterinary standards	52.9	17.6	23.5	0.0	5.9

Source: Questionnaires for M 1.1 N=17

Hence evaluator concludes that there are positive effects on most projects in relation to improved working condition for the staffs, whereas improved welfare for animals are less significant.

**To what extent have the supported investments contributed to protect the environment?**

The improvement of the company ability to handle, store and get rid of by-products, waste etc. proposes on of the areas where additionally can be observed. The supported activities are in many countries tied up with requirements of improved handling of waste etc.

Also in the Romanian Programme this positive effect on the environmental impact from the supported investments can be observed as approximately three-quarters of the beneficiaries state that there has been a significant improvement in the impact.

The results on waste management are less obvious, however this has to do with the more specific objective of the individual projects, i.e. if a project focuses on more

efficient use of input factors then a positive effect on the environmental impact might be observed, but creating a link to the handling of waste is too drawn out.

**Table 24 How have the supported investments affected the...**

(Percent)	Significant improvement	Limited improvement	No improvement	Worse than before the investment	I don't know
Environmental impact from production	68.8	18.8	0.0	0.0	12.5
Waste management	31.3	43.8	12.5	0.0	12.5

Source: Questionnaires for M 1.1 N=17

Nevertheless positive effects on the protection of the environment *is* observed, which is also supported by the interviews with stakeholders and the data collected during the first phase of the MTE. The improvement relates in part to a low environmental baseline.

**Table 25 To what extent has the supported investment facilitated...**

(Percent)	To a large extent	To a limited extent	Not very much	Not at all	I don't know
Increased protection of the environment	58.8	35.3	0.0	0.0	5.9

Source: Questionnaires for M 1.1 N=17

Hence no beneficiaries find that there has not been an increased protection of the environment, which hence allows evaluator to conclude that the measure supports not only the introduction of more efficient production procedures, which allows for improved competition, but also that the supported investments are supporting a positive development of the environment.

**To what extent have supported investments contributed to restructure the processing food industry in the sectors involved in order to be able to compete in the single market?**

Earlier in this section it has been documented that the companies might be able to compete better on the EU markets after the supported investments, however this positive effect must be seen in the light that it is still very difficult for Romanian companies to export to the single market.

In addition it must be said that only a limited companies currently are allowed to export to the EU. E.g. in the poultry sector only five out of 32 slaughterhouses are allowed to export to the EU markets and none of these have received support under the Programme.

**3.1.5. Efficiency and utility**

Efficiency of the supported projects is ensured through tendering procedures on project inputs. Tendering procedures for project inputs are to ensure that projects are implemented in a cost-effective manner.

However this safeguard can also be seen as a violation towards the efficiency of the acquiring inputs for the project either because it is difficult to understand and implement the tender procedures, or because it is not possible to identify the required number of supplier of a good.

In spite of this it must be acknowledged that the Programme acts as a benchmark for performance and standards for other investments as well. This virtue of the Programme and the measure has been identified by some stakeholders as one of the most promising aspects of the Programme, which hence must be put forth as a cost-effective and long lasting effect of the Programme that ensures additionality.

### 3.1.6. Sustainability

The sustainability of the supported activities can be seen in various aspects from the internal capacity of the supported companies to the context in which the support has been granted.

Looking first on the internal capacity it is evident that a number of jobs on the supported companies have been safeguarded, but in addition quite a large number of jobs have been created subject to the investments. On average 18-26 jobs have been created, which entails that the measure has created 504-728 jobs.

**Table 26 Number of jobs created or safeguarded because of the investment**

	Mean
Number of people able to keep their job	64.8
-hereof number of women	33.6
Number of fulltime jobs created as a direct consequence of the investment	20.5
-hereof number of women	12.1
Number of fulltime jobs as an indirect consequence of the investment	17.7
-hereof number of women	6.5

Source: Questionnaires for M 1.1 N=9 or less

These figures should however be used only to verify monitoring data as they are not significant valid. But as no monitoring data deals with the specific objective of creating jobs, this proxy can be used only to illustrate the positive impact on job creation.

The job creation has also indirect implications, as support facilities have to be enhanced. Finally the jobs safeguarded and created are gender neutral, i.e. there is roughly a 50/50 distribution on the jobs between genders supporting the current structure in the sector.

The sustainability of the companies on the medium term depends on their competitiveness. Some stakeholders have put forth that support is given to too small entities,

which are not sustainable in the longer run. On the opposite side the larger entities, which have the capacity to compete on the long term often have too much state ownership for them to apply for support. The choice of eligibility and selection criteria should hence be developed to reflect the political intention to promote a sustainable and competitive sector.

**Table 27 Development in annual turnover in annual and 2000 prices**

	2000	2001	2002	2003
Mean annual turnover in billion ROL annual prices	5.115	10.535	20.942	26.803
Inflation		35 pct.	23 pct.	18 pct.
Index	100	134,5	164,8	194,1
In 2000 prices	5.115	7.833	12.710	13.810
Increase compared to 2000		53 pct.	148 pct.	170 pct.

Source: questionnaire M1.1, N=17

From the round of questionnaires it could further be observed that the supported companies indicate to have had a significant increase in annual turnover. Measured in 2000 prices (i.e. real terms) the respondents state that they in average have realised a 70 pct. increase in annual turnover in the period 2000-2003. However less than one-fifth state that they have realised an increase in exports, which means that the increase in turnover stems from increased domestic sales.

Finally it should be put forth that no matter what type of investments that are supported these are only sustainable in the long run if they are implemented in order to improve the environmental impact of the companies.

### **3.2. Midterm evaluation of measure 2.1**

The measure is based on Priority II of the Programme. It was accredited in 2002, since when 1,354 applications have been received and 438 projects approved at the time of the MTE. This measure has thus the largest number of applications of the two measures that are active.

#### **3.2.1. Relevance and coherence**

The measure is regarded by several stakeholders as the most relevant measure in order for additional activities to be implemented. The current state of the rural infrastructure suffers from years of mismanagement and lack of re-investments. Hence infrastructure is key in order to connect the rural areas with the larger rural cities as well as providing clean water to the rural dwellers. Finally but not least the handling of wastewater proposes a real threat on the environment.

Hence the measure is found to be very relevant and in coherence with the needs of the rural dwellers and entrepreneurs.



### Eligibility and selection

From the questionnaires the following results was derived regarding the eligibility and selection criteria of measure 2.1.

**Table 28 How appropriate do you find the following eligibility criteria for being able to get support?**

(Percent)	Very appropriate	Appropriate	Inappropriate	Very inappropriate	I don't know
The project shall prove its functional and technical utility through an explanatory statement and feasibility	85.6	13.6	0.8	0.0	0.0
Preparation of investment plan	52.8	41.3	4.6	0.9	0.5
Preparation of an environmental impact assessment	50.0	41.5	4.2	0.9	2.8
The geographical focus of the project	40.5	39.5	8.8	3.9	7.3
The eligibility criteria in general	49.1	47.4	1.3	0.4	1.7

Source: Questionnaires for M 2.1 N=205-243

Of the less accepted eligibility criteria is the preparation of an investment plan as well as an EIA. A reason for this is the requirement for inclusion of socio-economic data, which might impose problems and other transaction costs for the beneficiaries to gather. Evaluator finds however that the inclusion is crucial, but that the contents of the investment plan could be subject to further analysis.

The geographical focus seems to be the less accepted eligibility criteria. A reason for this is due to the needs in Romania in general and the “exclusion” of some regions.

### 3.2.2. Effectiveness

The effectiveness of the measure has been quite high and an excessively high rate of applications were realised in the first months of the Programme. During the period August 1st – November 30 2002, a total number of 1,354 project applications were received. The total amount of funding requested exceeded the available funding by 714 MEUR, an excess of 303 pct. of the available funds for 2000-2001.

Due to the unexpectedly high number of applications, no more applications for measure 2.1. were received after 30. November 2002 in order to deal with the existing ones.

**Table 29 Projects and costs of M 2.1 as of 30th June 2003**

	Number of projects:				Total costs Mio. EUR	pct
	Submitted	Rejected	In process	Approved		
Rural Roads	818	348	231	239	193.42	55.3 pct.
Drinking water supply	427	138	124	165	123.68	35.3 pct.
Sewerage system	109	35	40	34	32.93	9.4 pct.
<b>Total</b>	<b>1,354</b>	<b>521</b>	<b>395</b>	<b>438</b>	<b>350.03</b>	<b>100.0 pct.</b>

Source: Managing Authority, 2003

The distribution of the received and approved projects support the distribution laid out in the design of the Programme where the distribution of funds were expected to be 50/35/15 pct. on the sub-measures.

A total of 395 projects remain eligible but without funding, indicating that appropriate funding is lacking for this measure in proportion to the number of application submitted. The number of applications also reflects the need for investments in rural infrastructure in Romania, which was not predicted in the development of the Programme.

Additionally, the backlog of unprocessed projects illustrates the lack of administrative capacity to deal with such in-flow of applications as well as the lack of funding allocated to this measure with respect to the importance given to it in the Programme.

The unexpected high volume of project applications under measure 2.1 has raised concern for the amount of works and investments to be achieved within the time limit of the expenditure of funds as set out in the MAFA.

Seen from this view the implementation of the measure has been very effective.

**Table 30 Operational objectives of approved application received by the SAPARD Agency**

	Physical unit	No of units	Target
<b>Rural Roads</b>	km	1,629	1,500
<b>Drinking water</b>	km pipeline/	76,861	3,100
	no. inhabitants	587,285	145,000
<b>Sewerage system</b>	km pipeline/	5,806	1,300
	no. inhabitants	129,539	50,000

Source: Managing Authority, 2003

The reaching of the operational objectives is indicated to be higher than planned. E.g. the number of kilometres of pipeline for drinking water is reached by an astonishing 2,500 pct. Evaluator concludes that this is subject to a sub-optimal design, definition and implementation of monitoring indicators rather than an extremely high effectiveness on the reaching of the project outputs.

Seen in relation to the number of projects implemented the reaching of the operational objective is 62 pct., hence indicating that the individual projects are most costly than budgeted. Nevertheless the eligibility criteria favour larger projects, and hence this result can be argued in line with the objectives of the measure.

### 3.2.3. Effects

#### *Deadweight*

Again the observation of effect must take point of departure in a baseline on the existence of deadweight effect, as to identify the additionality of the Programme.

The supported investments in infrastructure are to a very large extent depending on support. Evaluator has not in any other countries seen a so significant dependence on the support.

**Table 31 To what extent would you say that the investments were depending on SAPARD support?**

To a very large extent	To a limited extent	Not very much	Not at all	I don't know
97.2 pct.	2.8 pct.	0.0 pct.	0.0 pct.	0.0 pct.

Source: Questionnaires for M 2.1 N=248

**Table 32 How large a share of the investments would have been realised if you had not received SAPARD support?**

None of them	1-25 pct.	26-50 pct.	51-75 pct.	76-99 pct.	all of them
64.8 pct.	30.0 pct.	4.3 pct.	0.8 pct.	0.0 pct.	0.0 pct.

Source: Questionnaires for M 2.1 N=253

There are undocumented information on political motives behind the investments, however evaluator finds more strongly than in any other measure in any other Programme in the countries, in which evaluator have worked, that there is a strong dependence on the support. Almost two-thirds of the investments would not have been implemented if support were not available. Almost all the remaining projects would have implemented in a very limited form.

Evaluator hence concludes that the Programme carry a very large additionality in the supported projects.

Furthermore the evaluator has experienced from several sources that cases concerning conflicting interest have been raised in some regions. The problem is that some local city councils are stakeholders in construction companies applying for projects, but at the same time are technical staff from the same city councils recruited project review experts of the selection and evaluation committees. This double role of the city councils as applicant and technical expert is criticised and need to be solved. A possible and very simple solution is to recruit technical review experts from other regions in

future project situations. For the present cases, an additional review of an external expert could contribute to solve the problem without a new tender and without cancelling of the contracts, but with the opening for adjustments in the project, if deemed relevant from the review.

**To what extent have the type and extension of rural infrastructure activities been in accordance with the priority needs of the rural areas concerned?**

By and large the supported projects are distributed along the line of the expected project outputs. However the sub-measure dealing with sewerage has received less attention than anticipated.

**Table 33 Type and realisation of activities**

	<b>Renewal of local roads</b>	<b>Improved water supply</b>	<b>Improved sewerage systems</b>
Expected, no of projects	43 pct.	43 pct.	14 pct.
Realised, no of projects	54.6 pct.	38.3 pct.	5.6 pct.
Expected, use of funds	50 pct.	35 pct.	15 pct.
Realised, use of funds	55.3 pct.	35.3 pct.	9.4 pct.

Source: Managing Authority, 2003

Seen in relation to the environmental impact of the measure it should be put forth that improvement in the sewerage systems is pertinent in order to ensure a positive development of the environment.

Nevertheless the evaluator concludes that the implementation of the measure reflects on the one hand the priority needs addressed in the Programme (the issue is not dealt with in detail in the ex-ante evaluation of the Programme), and is in addition in accordance with the needs of the rural areas. Whether additional impact could be achieved through better selection of the project mass should have been elaborated upon in relation to the project visits carried out in the first part of the MTE. However no accounts on this subject was retrieved.

**To what extent have the supported investments contributed to improve the competitiveness of the rural areas?**

Sufficient rural infrastructure is crucial in maintaining a vivid rural population. If there is not access to basic infrastructure the inhabitant have large incentives to move to the larger cities, where there are easier access to services.

**Table 34 To what extent have the supported investments entailed...**

(Percent)	To a large extent	To a limited extent	Not very much	Not at all	I don't know
An increase in the attractiveness of the village for individuals	72.6	20.0	6.0	0.5	0.9
An increase in the attractiveness of the village for firms	57.1	27.0	12.2	0.5	3.2

Source: Questionnaires for M 2.1 N=189-215

The increased attractiveness is often more targeted towards individuals, as firms require more than just basic infrastructure. Firms in addition require support functions, i.e. accountants, skilled workers, schools for the staffs children, hospitals etc., which are present in the larger rural cities.

This can also be seen from the questionnaires where the increase in attractiveness for individuals is larger than that for firms. Nevertheless the improved infrastructure also allows for easier transportation to/from work places, hence there is an indirect effect on the attractiveness of the rural areas for firms if they, due to the support for infrastructure, get access to a larger work force.

**To what extent have the supported investments contributed to improve the quality of life of the beneficiary rural populations?**

The focus of the infrastructural projects is often on the rural dwellers and the improvement in their quality of life.

**Table 35 Utility from the supported investments**

(Percent)	To a large extent	To a limited extent	Not very much	Not at all	I don't know
An improvement of the quality of life of the inhabitants in the villages receiving utility from the investment	90.8	6.3	2.5	0.0	0.4
Prevent depopulation in the villages receiving utility from the investment	72.0	19.3	7.2	1.0	0.5

Source: Questionnaires for M 2.1 N=207-237

It is significant that the quality of life of the beneficiaries is mirrored, and a positive effect – though less significant – can be observed on the ability of the rural areas to withhold the population. It must be put forth that the external factors, e.g. job opportunities, access to services etc. often is a greater factor for individuals that wish to stay in a village, hence in spite the efforts of developing rural infrastructure there will still be a surge towards the more developed urban centres in the rural areas.

Infrastructure must be used. Hence the more the investments are being used the higher is the utility and hence the additionality of the Programme. From the question-

naires it evident that there are a large number of beneficiaries attached to each individual project.

**Table 36 How large a share of the inhabitants has or will have direct access to or utility from the investment?**

	None	1-25 pct.	26-50 pct.	51-75 pct.	76-99 pct.	All
<b>Municipality</b>	0.9	8.2	17.3	35.5	17.3	20.9
<b>Area affected by the SAPARD project(s)?</b>	0.0	2.2	11.3	18.7	24.7	43.3

Source: Questionnaires for M 2.1 N=110 (Municipality) – 231 (Area)

In addition some projects are more limiting than others, e.g. there is some element of exclusion when a new water pipe is being constructed, whereas the construction of a road will allow access for all rural dwellers. Therefore it can be identified in the above table that there are a large part of the users in the municipality that have access to the new infrastructure, whereas in the areas affected by the projects a larger proportion of the rural dwellers have access.

### 3.2.4. Efficiency and utility

The efficiency of the implementation of the projects should be seen in relation to the number of outputs realised. However evaluator is a little hesitant to do calculations on the monitored output indicators of the measure. As put forth a 2,500 pct. realisation of the operational objectives indicate a sub-optimal monitoring.

The evaluator would also like to stress that the utility is pertinent in the measure. Hence using scoring criteria for project selection should at all times be chosen in front of a ‘first come – fist serve’ approach. There is no doubt that building infrastructure will create a positive impact, especially in the Romanian case, but then the need for using the scarce resources in the best way becomes imperative for ensuring maximum impact of the measure.

In this relation evaluator would like to stress that if the calls for applications are done on a very frequent basis then the selection of projects - even though selection criteria are adopted – will be a de facto ‘first come- first serve’ as a project submitted in e.g. August have a higher likelihood of being approved than if it submitted three months (and three calls) later.

### 3.2.5. Sustainability

Job creation is formulated in the Programme as an ‘impact indicator’. The evaluator however finds that it would be more suitable as an indicator of the results of the measure or the indicator could even be used to describe the sustainability, i.e. the ability of the measure to support a sound development of the employment in the affected areas.

However due to the type of projects the job safeguarding and creation potential is different. Additional analyses will in more detail touch upon this issue. However as of now and in very rigid terms the measure can be said to **safeguard** jobs through allow-

ing for easier transport, whereas the **job creation** is in part due to the actual implementation of the project.

**Table 37 How many jobs has the supported investment created or safeguarded?**

	Average number of jobs
Number of people that has been able to keep their job because of the investment	128.5
... thereof number of women	55.5
Number of fulltime jobs that have been created as a <i>direct</i> consequence of the investment	19.0
... hereof number of jobs for women	4.8
Number of fulltime jobs that has been created as an indirect consequence of the investment	31.8
... hereof number of jobs for women	31.8

Source; Questionnaires for M 2.1 N=56-121

The improvement of rural infrastructure is important in ensuring a sustainable development of the rural areas. The challenge lies within maintaining the rural population as experience from more developed economies show that migration towards the rural areas is hard to promote.

Hence development of rural infrastructure and hereof support facilities ensures that the rural population have fewer incentives to migrate.

Seen in relation to the immense demand for new and improved infrastructure it must be concluded that the Programme only to a limited extent adds to the sustainability of the rural areas. In addition a stakeholder has been put it forth that the rural dwellers move to the larger cities in the rural areas simply to get access to service facilities in spite the fact that they have gotten access to clean water, better roads etc.

**Table 38 Development in number of inhabitants in the area affected by the SAPARD project(s)?**

decline of more than 10 pct.	decline between 1 and 10 pct.	no development	increase between 1 and 10 pct.	increase of more than 10 pct.
2.5 pct.	33.3 pct.	17.5 pct.	41.7 pct.	4.6 pct.

Source; questionnaires M2.1, N=240

It appears from the questionnaires that even though there are positive indications on the effect on attractiveness of the rural areas, there are significant differences between

projects when measured on the migration in the affected areas. The projects implemented in areas where there is a positive migration (i.e. increase in number of persons living in the affected area) show that the investments have to a higher degree contributed to the attractiveness for firms (68 pct. vs. 45 pct. for the municipalities with a decline in population). In addition to this the investment climate is more positively affected in the areas with increased population.

Evaluator assumes this identifies a positive circle for the more ‘successful’ areas, and not necessarily that these positive effect accrue from the supported investments. However the observations indicate sustainability.

### **3.3. Midterm evaluation of measure 4.2**

#### **3.3.1. Relevance and coherence**

The measure is relevant in relation to supporting the implementation of the additional measures. The activities proposed under the measure allows for upgrading of staffs and stakeholders as well as disseminating information on the Programme.

The activities are essential in order to ensure high effectiveness on the individual support measures as well as reaching the higher objectives of the Programme.

#### **3.3.2. Effectiveness**

Under the Programme there has so far been only a limited number of activities. Four projects have been launched to a value of 626,500 EUR, which make up 17.7 pct. of the budgeted expenses for 2000-2003

**Table 39 Financial effectiveness of M 4.2**

Measure	Total budgeted public expenses 2000-2003 EUR	Total committed January 2004	Percentage of total commitments**
Measure 4.2	3,545,000	626,500	17.7

Source: The Programme and monitoring data

Evaluator hence concludes that the support projects for the Programme have been vaguely implemented and that there are room for introducing more projects or more volume in the individual projects in order to fulfil the operational objectives.

The account of effect, efficiency and sustainability should be seen in the light of the low utilisation of the measure.

In the period covered by the evaluation four projects have been introduced, these are;

- Information campaign about the Programme (successive information through a private company)
- Information on calculation of standard gross margin for assessing financial and economic feasibility of beneficiaries
- Training of applicants
- Midterm evaluation of the Programme



The dissemination of information is administered by the Programme Coordination Directorate in the SAPARD Agency. The information campaigns are in addition supplied with regular information from NAAC, which co-finances a monthly bulletin: "Buletin SAPARD". Additional stakeholder organisations have showed a readiness to assist in promoting the Programme

### 3.3.3. Effects

**To what extent has the technical assistance measure facilitated the implementation of the programme actions?**

Especially the activities under the measure, which address support for monitoring, information and publicity and support to studies, visits and seminars are pertinent in developing the administration (herein the local administration) as well as promoting the Programme.

Additional activities could be implemented focusing on information activities as well as for the development of a coherent monitoring and evaluation system.

Activities for facilitation of the implementation of the Programme addresses both the design and set-up of the Programme, monitoring indicators etc. as well as training.

The evaluator concludes that additional resources could be used in order to address an optimal implementation of the Programme, which includes training of staffs at central as well as regional levels as well as carrying out modifications of the Programme and administration design.

**To what extent has the technical assistance measure increased the acquaintance of the rural populations and authorities involved with EU procedures, rules and principles, notably those regarding SAPARD?**

In general it is the evaluators perception that the general public has little knowledge of the Programme and that additional information campaigns could facilitate a higher knowledge for the potential beneficiaries. In addition the evaluator has received indications that the knowledge at the regional level on general information is at times not complete.

As the Programme will include more measures addressing the various stakeholders in the rural areas there is a need for continuous and relevant about the Programme objective. Currently evaluator finds that the information about the Programme is limited towards a smaller group of stakeholders and their members that primarily represents the more traditional sectors of the rural areas.

The evaluator assesses the various regional offices as being (potentially) highly important in relation to carry the information to the potential beneficiaries. In other similar countries evaluator has found that the regional and local offices function as ambassadors of the Programme in addition to their administrative duties. This form has been regarded as very feasible and allowing for a close link between the local administration (supplier of information) and the potential beneficiary (demand of information).

It is important that potential beneficiaries can get access to information on the Programme from their local offices and not only from stakeholder organisations or at central level. It is therefore pertinent that the staffs in the municipal (DARDs), regional offices (BRIPS) as well as offices under the MTCT have complete and accurate information in order to function as information carriers and ambassadors of the Programme.

**Table 40 Sources of information by beneficiaries by use in pct.**

	Measure 1.1	Measure 2.1
Ministry of Agriculture, Forests, Water and Environment	71,4	46,2
Ministry of Transports, Constructions and Tourism	-	0,0
SAPARD Agency	92,9	98,0
Ministry of European Integration	0,0	29,9
Agricultural advisors	7,1	5,6
Information leaflets	28,6	42,1
Specialised agricultural periodicals	0,0	4,6
General periodicals	0,0	6,1
Television	14,3	17,8
Internet	64,3	21,8
BRIPS	0,0	1,0
Other	0,0	10,2

Source; Questionnaires for M 1.1/2.1 N=14/197

The evaluator finds that it is very satisfactory that almost all beneficiaries use the SAPARD Agency as a main source of information. Another feasible way of spreading information is through arranging public seminars. The open conferences held by the former evaluation team experienced a very high interest in participating at the seminars. In addition the seminars currently taking place for promoting the 'new' measures sees very satisfactory rates of participation.

### 3.3.4. Efficiency and utility

Due to the heterogeneous portfolio of project types under the measure the efficiency is difficult to assess. Also seen in relation to the limited number of projects the evaluation criteria cannot be viable assessed.

However in relation to the measure it is highly relevant to put emphasis on the utility of the measure. The measure facilitates a rational and appropriate implementation of the Programme, hence resources used in the measure will everything else equal allow for a more rational use of project funds hereby increasing the additionally, impact and utility of the entire Programme.

### **3.3.5. Sustainability**

In relation to the previous section the sustainability of the measure is achieved if it is successful in supporting the implementation of the additional support measures as well as the activities within the measure. Hence the sustainability of the support measures in general is dependent on a rational implementation of technical assistance as it guides the Programme in general.

## 4. Midterm evaluation of the Programme

This chapter presents the evaluator's assessment of the Programme level. The assessment is prepared partly from results derived from chapter 3 and partly additional primary and secondary information from interviews with administrative staffs, stakeholders and assessments of existing reports.

The chapter will provide answers to the assessment of the crosscutting evaluation questions as well as the nine developed evaluation questions on the administrative set-up.

The chapter is structured in the following way: section 4.1 to 4.5 presents the results on the evaluation criteria. Section 4.6 presents the Environmental Impact Assessment and section 4.7 presents the assessment of the administrative set-up.

Conclusions and recommendations from the assessments are presented in chapter 5.

### 4.1. Relevance and coherence

The relevance and coherence of the Programme is depending on the design and set-up of the Programme compared to the general development of the economic context, in which the Programme has been implemented.

In order to assess these issues the evaluator has conducted a number of structured interviews with stakeholders of the Programme. The stakeholders are in part members of the MC and in part NGOs.

The overall objectives of the Programme to be assessed in relation to the internal and external coherence are:

- a) Improving competition of the agricultural sector
- b) Maintenance of the rural population
- c) Implementation of the *acquis communautaire*

#### 4.1.1. Internal relevance and coherence

From interviews with a number of stakeholders of the Programme the evaluator has assessed the relevance of the measures. There is a general consensus from the stakeholders that the objectives of the different support measures are highly relevant in order to address the overall objectives of the Programme. The Programme is moreover considered relevant since it targets poor areas in Romania, areas that have not had much attention in the past. The Programme is moreover relevant and coherent in terms of integration to EU as it assists Romania with becoming in compliance with different EU requirements and the *acquis communautaire*.

The relation between the measures and the defined objectives was analysed in chapter 2 concluding that almost all accredited as well as non-accredited measure are relevant in order to achieve the overall and specific objectives of the Programme cf. section 2.2.

However some of the stakeholders would appreciate if additional focus were put on the agricultural measures e.g. measure 3.1 ‘investments in agricultural holding’ as well as measures specific aimed at the rural population. On the other hand it has also been stated that the current measure 2.1 ‘development and improvement of rural infrastructure’ is relevant and complementary for the diversification measures.

Moreover, the evaluator questioned in chapter two the relevance of the forestry measure compared with the problems and needs identified in the Programme. Furthermore, according to the first evaluation team, the current design of the Programme does not reflect the existing potential of organic production since this category falls under measure 3.4 for rural diversification and is not applied as a general criteria in the additional measures. In view of the comparative advantage in Romanian of ecological products it could be considered to grant SAPARD funding to large-scale holdings or to small-and medium scale production units that would invest in the production of organic goods meeting EU standards.

Between the measures a strong potential coherence can be identified. Ensuring internal coherence between measures was highly emphasised by the MEI and MoA in the programming period; however, due to the fact that only 2 support measures have been implemented the coherence between the measures in ‘real life’ still needs to be revealed. This said there seems to be a complementarity and coherence between the two implemented measures.

#### 4.1.2. External relevance and coherence

Because of the horizontal design of the Programme potential beneficiaries are all persons living in the rural areas of Romania. However, even though a major part (45 pct.) of the Romania population lives in what is characterised as rural areas, then it has been stated that there is a significant difference between these areas cf. annex 5 and 6 of the Programme. Hence the needs and priorities are different for the rural population in a 50 km range from Bucharest than for the rural population in North East region.

The greatest share of the agricultural land (> 80 pct.) is recorded in the Romanian plain, West and the South plain and centre of Dobrogea plateau are defined as agricultural regions of most importance. These areas include 11 counties. This share decreases to 40-65 pct. in the hilly region and to less than 20 pct in the mountain areas (The Programme: annex 5 and 6). The territorial disparities and the linkage between different land uses are listed in the table below.

**Table 41 Structural cumulative zones of the agricultural lands**

Region	Characteristics		
	Arable (pct.)	Graze lands(pct.)	Other categories of specific lands
Region 1	Over 80	Under 29	Vineyards or vineyards and orchards
Region 2	60-80	20-40	Vineyards and orchards or orchards and vineyards
Region 3	40-40	20-40	Vineyards and orchards
Region 4	40-60	40-60	Orchards and vineyards
Region 5	Under 40	40-60	Orchards
Region 6	Under 40	Over 60	Sometimes orchards

Source: The Programme: annex 5 and 6.

The region type shows the way of quantitative linkage between the shares of arable lands (<49 pct., 40-60 pct., 60-80 pct., >80 pct.) and of the natural graze lands (<20 pct., 20-40 pct., 40-60 pct., >60 pct.) followed by the mentioning of the cases where the areas put to vineyards and orchards are higher or immediate under the averages of 6700 ha and 6260 ha/county (The Programme: annex 5 and 6).

The territorial differences can moreover also be identified by number of animals and by distribution of crops. Adding to this, the investment measure 1.1 is focused on different sector e.g. milk, meat, and wine etc. cf. chapter 2, which can result in a regional bias of the support. Therefore, in those regions where there is a high concentration of livestock producers, a larger proportion of the support will be channelled to those regions. Hence regions, which are less developed, but do not have a significant share of e.g. animal husbandry in the regional structure, are receiving less funds. This creates an unintentional bias between the rural areas lagging behind, as the structure of the rural economy becomes the key for distribution of the support rather than the needs.

#### **4.1.3. Actions previously implemented to support the Programme**

Several previous national and international programmes are considered to be relevant and to support the implementation of the Programme. The most important are listed below:

##### **Special Preparatory Programme**

A Phare programme “*Rural Actions, Special Preparatory Programme*”<sup>5</sup>, which ended in 2002 did include as a part of the programme the following four measures:

- Investments in agricultural holdings;
- Improvement of processing and marketing of the agricultural and fishery products;
- Development and diversification of economic activities to generate multiple activities and alternative incomes;
- Development and improvement of rural infrastructure.

Out of a total of 59 eligible and fundable projects, 44 projects were completed. The projects are now undergoing a five-year monitoring process. The evaluation of the SPP had the following comments:

- Lack of records and documents had a negative effect on the evaluation process
- Lack of obligation to keep accountability and the generally low interest for questions related to the economics.
- Beneficiaries, in several cases, did not have specific training and experience agriculture

Based on the above comments, the evaluation did identify a range of conclusions and recommendation. The most relevant are:

- The difficulties with calculating incomes due to multiple income sources.

- In general, it was expected for all projects that the assistance would have a positive effect on income.
- Unit costs are hard to establish
- In general was presumed that the assistance will contribute to quality and production
- Mechanisation was important in providing improved working conditions. Comments on animal welfare were not possible

#### **International Fund for Agricultural Development, Rural Development in the Apuseni Mountains**

This project was launched mid-2001 with a loan from IFAD of US\$16.4 million to support MAFWE and county Directorates of Agriculture in six mountain area counties, and to provide credit and services to farmers and processors for livestock, food processing and other rural industries, and agro-tourism. The Rural Credit Guarantee Fund was used to provide surety for credit. The type of projects was diversified to ensure complementarities with the SAPARD.

United Nations Development Programme, Economic assertion of women from rural areas. Two demonstration units have been created for the processing and marketing of agri-food products and their proper marketing.

EC-Phare twinning project to support agricultural and rural policy at central and regional level. The Project has two components, one in relation to agricultural policy and one regarding rural development policy. The rural development component provides for support for the technical and financial implementation of SAPARD

#### **Agriculture and Rural Strategy for Accession to the European Union**

Responsibility for agri-environmental policy and some aspects of rural development policy lies with the MAFWE. The MAFWE document "Agriculture and Rural Strategy for Accession to the European Union (February 2003)" recognises that the foundations of successful agri-business lie in maintaining a high environmental quality. This strategy is not seen an effort only in the Romanian market but also the EU and other international markets if Romania is to maintain and increase its market share in food and tertiary agricultural products.

MAFWE sets its specific policy objective as 'To protect, preserve and enhance the quality of the natural environment' and proposes policy measures and interventions through:

- Establishment of environmental standards.
- Monitor compliance with environmental standards.
- Grant aid for investment in waste handling and treatment on farms and livestock production facilities.
- Assistance for the preparation of waste management plans.

### **Information Programme for rural development**

Comprises the organization and administration of a database system for rural development at the commune, county, region, and country level. Monographs for each county, comprising statistics data at commune level are being prepared.

### **New national legislation with SAPARD relevance**

Recently the Romanian Government did adopt the regarding 'State support for young people in rural areas'. This law pertains to the support given to young farmers and to other categories of entitled persons was approved by the Government and submitted to the Parliament for adoption. The law lays down the legal framework for the support granted to the integration of young professional under the age of 35 in rural area, as a means to develop rural Romania through the implementation of programmes and projects putting into value Romania's comparative advantage with the existing natural resources and local traditions, and also by developing a new concept of agriculture, of non-agricultural activities and services that are in line with the structural funds of the EC.

The law will thus benefit:

- a) Young families where every member is under 35 years old, who want to settle down in rural area and where at least one member has a skill, which allow him to run activities of agricultural and non-agricultural nature, specific to the rural area they want to live in;
- b) Young people under 40 years old and who run alone or together with several partners an association, an agricultural company or a non-agricultural trade company, who want to settle down in rural area;
- c) Young people under 40 years old that own an agricultural land and/or livestock farms, who want to settle down in rural area;

The beneficiaries' above-mentioned benefit from the following facilities:

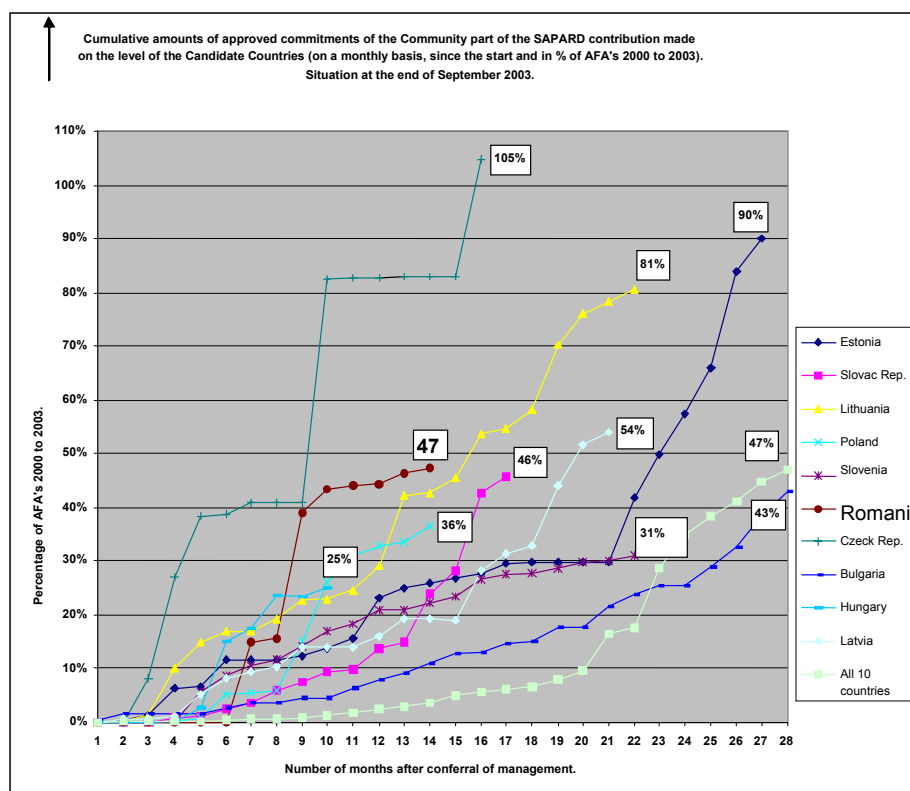
- a. Possession with lands up to 1000 sq. m. in order to build households and auxiliary premises;
- b. Possession with lands up to 10 ha for agriculture;
- c. Exemption from the percentage tax due to the irreversible elimination from the agricultural circuit of the agricultural lands which are in outside built-over areas as a result of the extension of the built-up area of the localities.

## **4.2. Effectiveness**

From the table below it appears that Romania has committed 47 pct. of the budgeted expenditures for the 2000-2003 periods of annual financial agreements. This number is though lower than the commitment rate (68 pct until 30<sup>th</sup> June 2003) identified in chapter 2 based on the financial monitoring tables provided by the SAPARD Agency. The difference between the figures is not obvious as it should be the same reporting system used.



Figure 1 Commitments of SAPARD funds in relation to budget



Source: The European Commission, DG agriculture, Quarterly report 2003

Compared to other Candidate countries it appears from the table above that the usage of funds has been average in Romania being at the same level as the Slovak Republic. The Czech Republic and Estonia are having the highest level of commitments.

The financial volume of the Programme is one of the largest compared to other accession countries. Hence seen in this light and observing that (only) 461 projects (by the 30<sup>th</sup> of June 2003) have been approved it can't be concluded that there is a relatively low activity level in Romania, and hence that the effectiveness of the Programme implementation could be improved in relation to number of projects supported. From this level of effectiveness the Programme cannot be expected to create a significant impact on the alleviation of the addressed problems in the rural areas.

As mentioned in chapter 3 only 1.5 pct. of the 1,900 planned projects under measure 1.1 have been carried out, which is a bias away from applications for support under the Programme. The low level of activity can also be seen in the commitment of funds where only 4.3 pct. of expected projects – measured in total costs – have been realised. The effectiveness however, of measure 2.1 has been relatively high cf. section 3.2.2.

### **4.3. Effects**

The results and impacts created by the Programme in the period of evaluation are in part realised in the supported projects and in part from the Programme as a whole.

#### **4.3.1. To what extent has the Programme been conducive to adjust the agricultural sector and the rural economy to Community standards and to prepare them for the implementation of the *acquis communautaire*? And has the Programme contributed to establish and improve the implementation of CAP objectives and procedures at the administrations' level?**

On a national level, there are indications that Romania has made considerable progress in harmonising the national legislation with the *Acquis Communautaire* in addition to the accelerated transposition across national legislation. However, the insufficient administrative and institutional capacity as well as the complexity of the *Acquis Communautaire* in addition to the existing national legislation will have created a bottleneck effect with regard to the harmonisation process.

References among the Programme stakeholders indicate that legislation conforming to the *Acquis* is largely in place but there is a considerable lack of institutional capacity to apply it. However, from the measures already implemented, and the ones to be implemented in the course of 2003 and 2004, there is considerable evidence (based on the response to the first MTE team's) that the *Acquis Communautaire* and the CAP legislation are fully taken into consideration in the overall programme. From the questionnaire submitted to all beneficiaries under measure 1.1 it is apparent that all investments are aimed at improving hygiene and quality of the products as well as the competitiveness. Hence the evaluator concludes that there are positive effects on most projects in relation to improved working condition for the staffs, whereas improved welfare for animals are less significant.

According to the Regular Report for 2003 published by the European Commission on Romania, it is stated that '*A considerable amount of the agricultural *acquis* has been transposed but enforcement is hampered by very limited management and administrative capacity. Important efforts are still required to achieve full compliance by accession as regards Community requirements on food safety and consumer protection*' (page 67). This indicates that despite the reference of CAP legislation in the Programme, the actual implementation will be delayed due to among others lack of human capacity, which indicates a need for additional capacity building and training of administrative staff at local, regional and central level in relation to e.g. monitoring and evaluation. The interviews conducted with the staff in the SAPARD Agency and at the MoA support this conclusion as well.

#### **4.3.2. To what extent has the Programme helped stabilising the rural population?**

None of the current implemented measures and activities is directly targeted at the final beneficiaries (i.e. rural dwellers) in the rural areas, however both measure 1.1. and 2.1 are considered to have a positive effect regarding stabilisation of the rural population due to improved infrastructure facilities as well as an enhanced opportunity for job keeping or creating of new jobs. Sufficient rural infrastructure is crucial in maintaining a vivid rural population. If there is not access to basic infrastructure the inhabitant have large incentives to move to the larger cities, where there are easier access to these ser-

vices. This observation is supported by both the results from the questionnaires as well as from the interviews with stakeholders.

Romania has just accredited the diversification measure (measure 3.4.), which directly aims at developing the rural areas in terms of creating or maintaining jobs and to generate alternative income activities. It can be expected that this measure together with the other measures will have vital effects in terms of stabilising the rural population. A direct effect would be the facilitation of new activities and services in the rural areas, and thereby hopefully keeping people in the rural areas. The challenge lies within maintaining the rural population as experience from more developed economies show that migration towards the rural areas is hard to promote. An important indirect effect is the signalling of the public commitment to support a positive development of the rural areas.

The evaluator finds that the latter effect has a potential for improving the standard of living in the longer term as the supported activities will accumulate and with synergy effects taken into account will facilitate the creation of more attractive rural areas.

In order to reduce the territorial differences cf. above it could be considered to put in additional efforts addressing the impact on the rural areas lagging most behind in relation to their economic structure.

#### **4.3.3. To what extent has the programme contributed to the preservation and revitalisation of rural heritage and cultural traditions?**

There is no evidence of any such contribution due to the lack of projects to be measured that included such indicators especially projects under M3.4. However, based on the existing provisions in the various measures, the Programme will contribute considerably to the preservation of the rural heritage and cultural traditions. Concerning the revitalisation of the latter, there is little or no indication that this has taken place since these have not experienced any considerable decrease on a similar scale experienced in rural areas in EU15 as a consequence of CAP policies. As modernization and mechanization of Romanian agriculture will progress on the basis of the programme's implementation, concern may arise in the future of the possible gradual erosion of rural heritage and cultural tradition in view of modernisation, thus needing 'revitalization' in the future.

However, since these factors have already been taken into account in the Programme, the negative effects of modernisation and commercialisation on such heritage and traditions can be mitigated and, instead, the latter be promoted as part of the fabric of a vibrant rural economy.

#### **4.3.4. To what extent has the Programme been conducive to creating/maintaining employment opportunities in the rural areas?**

Looking at the data gathered from the questionnaires (which should in this case be assessed with slight scepticism) it is evident that a number of jobs on the supported companies have been safeguarded, but in addition quite a large number of jobs have been created subject to the investments under measure 1.1. On average 18-26 jobs have been created, which entails that the measure has created 504-728 jobs. The figures should be interpreted with some caution, but can nevertheless be used as a proxy of the positive

impact on job creation. The data moreover indicates that the jobs safeguarded and created are gender neutral, i.e. there is roughly a 50/50 distribution on the jobs between genders supporting the current structure in the sector.

In relation to measure 2.1 it is problematic to make a final conclusion concerning job maintenance or creation since it depends on the type of projects. However as of now and in very rigid terms the measure can be said to safeguard jobs through allowing for easier transport, whereas the job creation is in part due to the actual implementation of the project.

Based on the above it can be concluded that the Programme has facilitated a positive development in relation to creating and maintaining jobs.

It can moreover be expected that the new accredited measures will contribute positive in relation to create or maintain jobs in the rural areas partly because of the design and objectives of the diversification measure (3.4), partly because the creation of new jobs might be an vital side effect of measure 3.1.

Finally, it should be stated that evaluator finds a great potential in supporting SMEs and agricultural units, which in the short term can allow for job opportunities and in the long term can allow for processing of regional products. These are important for rural development not only directly in terms of new jobs etc. but also indirect in terms of side effects such as alternative incomes, development of new small scale businesses etc.

#### **4.3.5. To what extent has the programme facilitated/promoted foreign investment in the agricultural sector/rural areas?**

Referring to the Commission Report “Agricultural Situation in the Candidate Countries” for Romania of July 2002, FDIs have been inhibited by several obstacles such as high inflation, high interest rates, bureaucratic obstacles and unpredictable changes in the legal framework including taxation.

Although it could not be quantitatively measured at the time of the evaluation due to infancy of programme implementation, there is evidence that SAPARD creates a foundation for the increased demand for services and inputs, which are satisfied by international investment, in partnership with local counterparts. The potential of the agricultural production is considerable despite the existing obstacles, which SAPARD aims to remove with its implementation. The forecasted output of the agricultural sector is thus an incentive for foreign investments, with a number of bi-lateral investments already having taken place as mentioned previously in this report.

#### **4.3.6. To what extent has the programme been conducive to improving the standard of living of the beneficiary populations?**

The rural population at large benefits from improved rural infrastructure but also from support to the local industries. There are hence positive side effects from the supported projects.

This perception is supported from interviews with the stakeholders giving strong indications that the standard of living or at least the fundament for this improvement has

been realized or established. Especially investments under M2.1 are seen to facilitate this improvement.

The evaluator finds however that there are still latent effects that have not been realised. These effects are realised when additionality and synergy effects are realised also for persons who are not direct beneficiaries of the supported projects.

#### **4.3.7. To what extent have the assisted measures contributed to diversify the rural economy and improve the market situation of the rural areas?**

The conception and implementation of the programme has had a beneficial effect on the availability and accessibility of funds for agricultural development. This is due to the presence of part-contribution through SAPARD, Phare and other rural development programmes sponsored by EC and other international donors, thus limiting the financial risks of the financial institution providing the financial resources.

According to the supplementary survey from the first evaluation team, the beneficiaries would not have made the investment without the presence and support from SAPARD meaning a minimal dead weight. The questionnaire survey does to a large extent support this conclusion. Even though the Programme so far has supported only a few projects the picture is quite clear. The major part of the beneficiaries, respectively 76,5 pct. for measure 1.1 and 97,2 pct for measure 2.1, states that the investments depended on the support 'to a very large extent'. The above indicates that at the aggregated level the deadweight effect is very low and that especially projects under measure 2.1 carry a large additionality.

#### **4.3.8. What is the impact of programme implementation on the competitiveness and accessibility of Romanian agri-food products on the international markets?**

Based on the available information, it is assessed that the Programme has a beneficial effect on the potential development of the agri-food industry and hence the availability of Romanian products on the national, regional and international markets. This is also sustained in the results of the supplementary questionnaire, where 88,2 pct. of the beneficiaries support under M1.1 anticipated an increase in competitiveness. However, in addition it must be said that only a limited companies currently are allowed to export to the EU. E.g. in the poultry sector only five out of 32 slaughterhouses are allowed to export to the EU markets and none of these have received support under the Programme. Nevertheless, it is very clear that the effectiveness in the production and not least the *quality* of the products is positively and to a large extent affected by the support.

However, the Romanian agri-food sector has a considerable potential and comparative advantage which is not exploitable in the near future until a competitive agricultural sector has been established on the basis of the provision of adequate infrastructure in terms of transport and communication, production levels, access to machinery and marketing issues and others are resolved with the help of SAPARD investments. Taking into consideration the lack of administrative capacity of the administrations dealing with SAPARD combined with the above-mentioned factors, the impact of the Programme implementation is, at the time of this MTE, minimal but with a considerable potential of impact next 2-3 years.

#### **4.4. Efficiency and utility**

The utility of the Programme can be looked at from two perspectives; from the rural development perspective and from the administrative perspective. The administrative utility of the Programme is well covered in section 4.7 whereas the rural development perspective deserves a more thorough elaboration.

From the evaluation of the support measures and information from interviews with the staffs in the administration and stakeholders it is evaluators' judgement that the supported activities could be implemented in a more cost-efficient way. However, different factors need to be taken into consideration in order to calculate the administrative costs. This issue is elaborated in section 4.7.

In addition to the efficiency the derived results and impacts must also be evaluated in relation to the supported activities. In general the coherence of the support measures should ensure that synergy effects are realised between the supported activities. Experience from comparable countries have shown that 'micro-regional growth centres', where many different activities are supported, possess the ability to increase the benefits and utility from a wide range of activities. It is not clear to the evaluator if there exists regional growth centres in Romania.

Hence as the Programme is not reaching critical mass, the utility is limited to be retained in each individual project.

#### **4.5. Sustainability**

Regarding the sustainability of first of all the projects and of the Programme as well a crucial question is whether the supported activities contribute to or actually are an expression of change of behaviour of the beneficiaries, or whether the beneficiaries reverse or fade out their behaviour after the committed time period of the supported activities? Due to the short implementation period it is problematic to make a final conclusion concerning change in behaviour. The evaluation does though indicate an improved environmental knowledge and behaviour. However it should be expressed as a concern for the future programming that the reversal costs of the investments should be larger than the benefit from continuing the supported activities.

If the objective of the Programme merely is to use the funds available, instead of focusing on the expected results and impacts and thereby applying the Programme in a strategic matter, then the sustainability of the supported projects, and hereby the Programme, is very limited. It is considered important to stress this fact, as there currently are indications of a situation where the focus is on ensuring that the funds are used, while no attention is paid on results and impact. Evaluator finds that the current system of first in - first served applications does not allow for selection of those projects that live up to the political priorities. The sustainability of the Programme is therefore also targeted through the implementation of policy issues in the selection of projects, which has been identified as sub-optimal in the case of measure 2.1 whereas too few projects have been launched under measure 1.1 in order to assess the policy implications of the measure.

Finally, as mentioned in chapter 2, the Programme contains a range of dilemmas, which to some extent reflect contextual factors. At the overall level there is a triangled dilemma between Agricultural effectiveness vs. Rural Development vs. Environment and Nature. The objectives of the Programme contain all three pillars each reflecting different needs in Romania. The challenge is then to make a balanced Programme that considers this dilemma. At the more practical implementation level another dilemma can be identified. At the one hand there is an intension to minimise the risk rate and at the same time there is an intension to increase the absorption of the funding by attracting additional beneficiaries. It cannot though be ignored that there are negative side effects hereof. First of all, by increasing the absorption capacity there might be a risk of setting aside the re-structuring process of the agriculture sector since a lot of small farmers will become eligible for support, which cannot in an agricultural structuring process be considered sustainable. Moreover there might also be problems relating to the discussion of additionality and thereby also the potential of deadweight, which again might influence the sustainability of the Programme.

#### **4.6. Environmental Impact Assessment of the Programme**

This section will answer the cross-cutting evaluation question:

*To what extent have the assisted measures contributed to protect the environment of the rural areas?*

Council Regulation (EEC) No 2081/93 of 20 July 1993 includes requirements for appraisal of the impact of the environment in relation to plans. The obligations in connection with regional plans concern both an environmental status and evaluation of the environmental impact of the implementation of the planning.

In relation to environmental impact assessment and the support under the Programme in Romania it is indicated in the approved Programme that a screening procedure to appraise the likely environmental impacts of the projects would be undertaken. This would involve the competent authority, in all cases where any significant negative impact might reasonable be anticipated. This would also include decision on carrying out an EIA procedure. It is also indicated that the overall programme should be assessed in relation to environmental impact.

In Guidelines for the Evaluation of Rural Development Programmes supported by SAPARD (SAPARD – Guidelines) the importance of examination and evaluation of the impact of the programme is underlined. Evaluation is though mainly seen in context with the general objectives in the programme on rural development, whereas environmental impact assessment is not mentioned specifically. The measure specific and crosscutting questions do however include several questions closely related to environmental impact assessment, as can be seen in the introduction to this section, and provides in that way obligations for reporting on environmental impact assessment.

In Commission regulation (EC) No 445/2002 laying down detailed rules for the application of Council regulation (EC) No 1257/1999 on support for rural development

from the European Agricultural Guidance and Guarantee Fund (EAGGF), and also in Guidelines for mid term evaluation of rural development programmes 2000-2006 supported from the European Agricultural Guidance and Guarantee Fund (Guidelines mid term) additional indications for the frame for environmental impact assessment reporting related to the mid term evaluation can be found.

The Handbook on Environmental Assessment of Regional Development Plans and EU Structural Funds Programmes from August 1998 (Handbook) includes an approach to meeting EU requirements for the environmental assessment of regional development plans and programmes in the context of structural funds. The handbook is focusing on EIA related to plans and preparation (decision on programmes), but can also be used to structure mid term and ex post environmental impact assessments. The handbook does not represent a legal requirement but should be seen as guidance for the assessments.

The handbook is used to place the frame of the reporting in this section, but as indicated, it is also secured that the formal obligations in the mentioned regulations are assessed.

According to the recommendations in the handbook environmental impact assessments should take place both at the programme level and in relation to the individual measures and projects. The objective of the assessments is to assess the impact on the environment in terms of positive contribution to the reduction of disparities or in terms of other positive or negative effects on the environment. As described this assessment on programme and measure level have been part of the rural development planning in Romania.

More specifically, the evaluation of an operational programme should include, according to Annex V of the Handbook on Environmental Assessment of Regional Development Plans and EU Structural Funds Programmes (1998):

- Organisation and co-ordination of data relating to the physical, financial, and impact indicators for the programme
- Analysis of qualitative aspects of implementation of the programme (including delivery structures, programme management, project identification and selection etc)
- Forecasting the future development of the programme as a whole and of individual measures within the programme
- Assessment of the robustness of indicators
- Evaluation of the need to amend measures
- Evaluation of the need to amend indicators.

#### **4.6.1. Ex Ante Evaluation and Environmental Impact Assessment**

The ex-ante evaluation of the Programme is describing a number of positive effects for rural development that can be foreseen, but are also underlining some difficulties. On the general level these concerns limited resources for development of the pro-



gramme, limited and insufficient (secondary) data as basis for planning, and lack of securing primary data based on this deficit.

Specifically in relation to environment and environmental impact assessment it is in the evaluation mentioned that information to a large extent is factual but descriptions of driving forces and processes is very limited. It is mentioned that soil erosion is expressed as the most serious environmental problem in rural Romania, but additional analysis is asked for. Finally it is described how some pollution problems are described without looking into sources and causes, especially the contribution from agriculture related to water and air pollution.

In conclusion it is stated that the design of certain measures (i.e. 3.3 Agri-environmental) appears to be inadequate. The good intentions are not always followed by detailing of the measures to secure this. Generally also evaluation of the environmental situation and the positive and negative environmental impact of the programme is found insufficient and in need for further considerations, analysis and improvement.

#### **Environmental situation in Romania**

Romania is positioned at the cross-roads of several bio-geographical systems and gives Romania a top position in ecological diversity for the whole of Europe. Anthropogenic activities have modified the landscape and its ecology for thousands of years, however it is within the latter half of the 20<sup>th</sup> century that has resulted in the most profound and potentially damaging effects –including effects from agricultural practices.

The need to protect rural landscapes as a whole has been widely recognised i.e. under IUCN/UNEP and Council of Europe and maintenance of small farmers and producers along with their traditional methods of farming is underlined as important for landscape conservation activities. Programme M3.3 is directed towards this ‘landscape’ conservation, however it should be recognised that all the Programme measures are based on sustainable management and therefore all applications should be assessed for their impact on the landscape and ecology.

Council Directive on the conservation of natural habitats and of wild fauna and flora (Habitats Directive) and Council Directive on the conservation of wild birds (Birds Directive) will lead to designation of the so-called Natura 2000 network. The preparation of and implementation of the two directives is the most important issue in adoption of the *acquis communautaire* related to nature protection.

In the agricultural industry as a whole water point source pollution arises from a wide range of sources. These are most notably livestock rearing units, stockpiles of farm yard manures, discharge of water and waste from agricultural processing plants, dairies etc. SAPARD funds are just beginning to provide assistance to implement works to clean up existing farming and processing operations and new projects are required to ensure that polluting materials are cleaned and disposed of in a safe manner.

In relation to diffuse pollution of water the pollution of local groundwater supplies to farms and villages is a recurring problem. This in part is due to smaller farming households keeping and rearing a variety of livestock in confined areas where the

accumulation of manure and urine soaking into the ground finds its way into wells and watercourses. Also pollution from fertilizers and pesticides in hotspots where intensive agriculture is undertaken has been reported.

Since 1990 the emissions of NH<sub>3</sub> from agricultural activities have been reduced by over 30 pct., there remain however some local level problems, and the operation of large intensive pig farms are considered central to these problems. However, the Programme addresses these problems well if the provisions are applied according to the regulations laid down.

In relation to soil, soil erosion and landslips affect approximately seven million hectares each year coming from both natural and anthropogenic factors. Natural factors such as wind and soil erosion are often exacerbated by actions such as felling of forests and shelterbelts, poor agricultural practices such as ploughing down slope, and compaction and crust formation due to machinery. Overgrazing has also created problems in certain specific areas and is locally a serious problem.

#### **4.6.2. Legislation relevant for the Programme**

##### **National relevant legal requirements and policies**

The Programme is prepared and designed in such a way that the actions envisaged should be in synergy with correspondent national actions. The corresponding national actions include objectives to increase the competitiveness and sustainability of agricultural production, and harmonise it with the *acquis communautaire*. The national environmental action plan and national environmental strategy are described in detail below in this section.

The aims of the Romanian Sapard programme in relation to environmental issues is described:

- To meet EU standards in agricultural policy, food safety and consumer protection, animal health and welfare, plant health and environmental protection,
- to implement environmental protection programmes through the Nitrates Directive, Natura 2000 and the Environmental Impact Directive, and
- to achieve the sustainable development of agriculture and rural areas, through modernisation, investment in infrastructure, business development, economic diversification and the development of human resources.

##### **National Environmental Action Plan (NEAP)**

The first National Environmental Strategy (NES) and National Environmental Action Plan (NEAP) were approved in 1995.

The NES contains the following general environmental protection principles:

- Maintaining and improving the population's health and quality of life;
- Maintaining and improving the natural heritage through sustainable development;
- Preventing natural disasters and accidents;
- Complying with international environmental agreements.

The NEAP represents a programme for action based on the NES and contains all the main objectives for sectoral strategies including agriculture, rural development, forestry and transport. Both the NEAP and NES were updated in 2000. Together they represent a unitary and integrated approach to environmental protection measures in Romania. The NEAP is being updated according to the National Programme for the adoption of the EU body of law, thereby becoming a basic element of the conditions to be fulfilled for integration into the European Union structures. At local level, the local Environmental Protection Inspectorates, with the help of the Judet administrations and local enterprise are drawing up Local Environmental Action Plans (LEAP).

*The main targets and priorities stated in NEAP for Environmental Protection are:*

- The rigid enforcement of environment legislation and the endorsement of the system of norms, standards and regulations compatible with the requirements of the European Union;
- The decentralization of the institutional system, and the introduction and employment of economic instruments aimed at ensuring environmental protection.
- Developing agriculture into an environment-friendly activity and the rational utilisation of the agricultural potential.
- Promoting sustainable rural development to improve rural livelihoods and environmental conditions in Romania
- Take measures to protect against natural disasters and accidents, increase the capacity of warning and control systems, develop and improve the integrated environmental monitoring and information system thereby improving emergency response times.
- Implementing the National Programme of technical measures for evaluating and financing the costs required reducing greenhouse gas emissions, in accordance with the provisions of UN's Framework Convention on Climate Change (1992) and of the Kyoto Protocol (1997).
- The protection and conservation of natural and biological diversity and its sustainable use on a scientific basis.
- Developing and administering the national network of protected areas in a manner which is consistent with European and international strategies, policies and practices.
- The protection of the River Danube, the Danube Delta and Black Sea ecological system, including measures to reconstruct the ecology in the Danube Delta area through the promotion of the modern principles of sustainable management including a rigorous control on the pollution sources.

Environmental sustainability and compliance with EU and other international directives is at the forefront of development policies and objectives in national strategies and programmes. This objective is highlighted in the NEAP where it has been stated that Romania's environmental policy and practices will be consistent with the European Union and the countries medium term economic development will be achieved by means of:

- The development and introduction of financial instruments
- Undertaking evaluation and management of Romania natural capital in accordance with its diversity, vulnerability and through development of a national network of protected areas.

#### **EU regulation with relevance for EIA**

The environmental impact assessment of the Programme included here is strictly associated with the environmental legislation currently applied in Romania and the relevant EU regulations. In relation to environmental legislation the most important EU regulations are the following:

- Council Directive 97/11/EC of 3 March 1997 amending Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment (EIA Directive)
  - Council Directive 91/676/EEC concerning the Protection of Waters against Pollution caused by Nitrates from Agricultural Sources (Nitrate Directive)
  - Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (Habitats directive)
  - Council Directive on the conservation of wild birds (79/49/EEC) (Birds Directive)
- Council Directive 96/61/EC concerning integrated pollution prevention and control (IPPC Directive)

These regulations would be the ones in focus in relation to compliance with the acquis and with relevance related to agricultural and generally rural development activities. The environmental impact assessment concerns in relation to certain regulations prevention of negative impact (i.e. Nitrate Directive) in other cases the positive impact and support to improved implementation or adaptation to regulations (i.e. Habitats and Birds Directives).

#### **Romanian legislation with relevance for EIA**

The legal provisions for environmental impact assessment (EIA) are set out in the Law on Environmental Protection (No. 137/1995). Any development of a new facility or modification of an existing one requires the approval of an EIA before the “operating approval” can be obtained (in most cases) from the local environmental inspectorates. The Law defines the main features of the EIA: the steps of the procedure, the requirements from the natural or legal persons preparing the impact study, the list of activities which are subject to the EIA procedure for the issuing of the environmental agreement and/or permit (Appendix A1).

The detailed procedures for activities with an environmental impact are presented in Ministerial Order No. 125/1996. These are subject to review under EUROPEAID and changes in the procedure are awaiting approval. The principal changes could be procedural with creation of a specialist certified register of EIA consultants to undertake the work. The Order (with amendments) provide guidance to the competent authorities on issuing permits, defines the procedure for public debate, methods for preparing environmental impact study (EIS), and the form of the environmental permit.

The central and local environmental protection authorities issue the environmental permits for the listed activities in accordance with responsibilities provided by the Order. MAFWE is the competent authority for issuing permits for major projects and for international and trans-boundary projects. The local EPIs are responsible for smaller projects.

The environmental impact study forms part of the ‘development control’ documentation prepared by the promoter in order to obtain an “environmental permit”. An ‘approved’ natural or legal person who is certified by the Environmental Agency prepares the EIA. EIAs are subject to a public consultation procedure and the findings and decision relating to the EIA and the development are made public. For any activities not covered in the list of mandatory EIAs (Annex II to Law), the local EPIs use selection criteria to establish whether such activities can have a significant environmental impact. Usually environmental agreements are valid for five years.

**Table 42 List of the activities subject to an Environmental Impact Assessment**

No.	Activities subject to an Environmental Impact Assessment	Measure								
		1.1	1.2	2.1	2.2	3.1	3.2	3.3	3.4	3.5
1	Slaughter houses and butchers' with a production capacity over 5 000 Tons /year	X								
2	Industrial units for manufacturing foodstuff and agro-technical products	X								
3	Use of dangerous substances and pesticides		X							
4	Storage of chemical products	X	X			X				
5	Land improvements made by art works as well as interventions on surfaces over 200 ha and/or accompanied by technical measures for agricultural purposes, such as irrigation or draining of agricultural lands on surfaces over 20 ha, and also general projects of removal from the agricultural circuit				X					
6	Buildings and equipment for breeding farm animals, with capacities over: 100 places for bovines for meat 500 places for pigs for meat 6 000 places for laying hens 6 000 places for chicken for meat 1 500 places for turkeys for meat					X				
7	Equipment for sorting, treatment, recycling, incineration of waste	X	X							
8	Warehouses for liquid, solid and past-like waste	X	X			X				
9	Equipment for treatment of waste waters	X		X		X				
10	Fishery arrangements	X							X	
11	Clearing of forest vegetation outside the lands covered by forest							X		
12	Equipment for wood processing							X		
13	Urbanism and land arrangement plans		X							X

#### 4.6.3. Evaluation of administration related to environmental impact assessment

The responsibility for the Implementation of EIAs and the legal provisions for environmental impact assessment (EIA) are set out in the Law on Environmental Protection (No. 137/1995). The detailed procedures for activities with an environmental impact are presented in Ministerial Order No. 125/1996 which is under review

through the EU contract EUROPEAID/ 112525/D/SV/RO. The recommendations from the study are currently awaiting approval.

Dependent upon the type, size and scale of the project, EIAs are evaluated either by the central, regional or local environmental protection authorities that issue the environmental permits for the listed activities in accordance with the sharing of responsibilities provided by Ministerial Order No. 125/1996. The Environmental Agency of the MAFWE is the competent authority for issuing permits for major projects and for international and trans-boundary projects. The local EPIs are responsible for smaller projects.

Romanian legislation related to

- Instruction on the methodology for preparation a report on EIA (1996)
- Decree on Conditions and the Procedure for obtaining Authorisation for preparing reports on environmental impacts (1996)
- Regulations on the types of activities for which an EIA is mandatory (1996)
- Two amendments to the regulation from 2000 and 2002

The system of examination and collection of data on the impacts on the environment is generally regulated on the level of an individual project. The Agency or the decentralised units do not have an established reporting system and/or a system of collecting data on the impact on the environment on the level of a regulation or a programme.

#### **4.6.4. Answer to the CEQ**

In the guidelines the central crosscutting question relates to environmental impact assessment of the Programme as presented in the introduction: *“To what extent have the assisted measures contributed to protect the environment of the rural areas?”*

From the description follows that environmental impact considerations are taken not only at the time of evaluation of the application but also during construction/implementation phase of the projects and, when needed according to national legislation, on the long run.

Limitations to the assistance in relation to protection of the environment are of course that some of the measures will increase or intensify agricultural production. This could generally lead to increase in negative environmental impact. Positive impact on nature or landscape protection has similarly only been found to a limited extend in evaluation of the measures. This is for very natural reasons. Especially M3.3 will successfully implemented be able to provide important impact to the implementation of nature protection oriented part of the acquis.

The answer would however in general be that the measures indeed do contribute to some extent to protect the environment. This concerns especially the impact on soil, water, and air. The contribution is expected not only on the short but also long run. The full impact of the programme is however still to be seen because of the very lim-

ited number of measures that at this stage have been accredited and where projects have been initiated.

#### 4.6.5. Accredited and implemented measures

##### Measure 1.1 Improvement the processing and marketing of products

This measure gives support for capital investments in processing and marketing of agricultural and fishery products. The reasoning behind is that competitive farms must be complemented with competitive food processing business. The supported companies have dealt with slaughtering, dairy products, fish processing, and wine production.

The division and indications in the table should only be seen as a theoretical exercise. In the project/cases in questions individual circumstances might have more importance and could change the picture.

**Table 43 Environmental impact of Measure 1.1 Meat processing and fisheries**

POTENTIAL ENVIRONMENTAL IMPACT	Specific objectives	Comment
<i>Negative:</i>	-	-
<i>Mixture:</i>	Increase proportion and economical efficiency of slaughterhouses and meat processing plants	Increased production could be negative. Reduced waste and wastewater positive.
	Stimulation of production of modern products. Improvement of productivity.	Same as above.
	Increase of Net Value added in meat and fishery processing sector, and improvement of profitability.	Same as above.
<i>Positive:</i>	New machinery and waste management installations	Positive with reduced waste and emissions

**Table 44 Environmental impact of Measure 1.1 Milk and dairy production**

Potential environmental impact	Specific objectives	Comment
<i>Negative:</i>	-	-
<i>Mixture:</i>	Improved economic efficiency and modernization	Increased production could be negative, possible reduction of waste and emissions positive
	Modernization of products	
	Improvement of productivity, profitability, and Net Added Value	
<i>Positive:</i>	Raised veterinary –sanitary and wastewater treatment facilities	Reduced waste and emission

Of the measure specific questions in relation to measure 2 the following results from the questionnaires have relevance for environmental impact assessment. In relation to the tables is should however generally be mentioned that the number of project hold-

ers inside the analysed period is very small so the figures give only indications, and the percentages are based on few replies:

**Table 45 Extent to which investment aims to hygiene and quality of products**

	To a very large extent	To some extent	Not very much	Not at all	I don't know
(Percent)	88,2	11,8	0,0	0,0	0,0

Source: Questionnaires for M 1.1 N=14

From the table can be seen that a significant proportion of the project holders express a very positive effect on the extent of a positive impact on hygiene effect of the support. Further to this from the following table can be seen that significant improvement is indicated in relation to working condition and environmental impact from production. For animal welfare the result is neutral and for waste management the result seems to have been positive. However the detailing of the improved environmental impact including waste management can not be analysed both coming from low number of replies and the general nature of the replies.

**Table 46 Effect of the supported investments**

(Percent)	Significant improvement	Limited improvement	No improvement	Worse than before the investment	I don't know	Missing
Working conditions	82,4	11,8	0,0	0,0	5,9	0,0
Animal welfare	17,6	5,9	41,2	0,0	17,6	17,6
Environmental impact from production	64,7	17,6	0,0	0,0	11,8	5,9
Waste management	29,4	41,2	11,8	0,0	11,8	5,9

Source: Questionnaires for M 1.1 N=14

**Table 47 Facilitation of the supported investments**

(Percent)	To a large extent	To a limited extent	Not very much	Not at all	I don't know
Adoption of new veterinary standards	52,9	17,6	23,5	0,0	5,9
Increased protection of the environment	58,8	35,3	0,0	0,0	5,9

Source: Questionnaires for M 1.1 N=14

It can be seen that a large proportion of the project holders finds that the support is facilitating adoption of veterinary standards and finds that the support has had as effect increased protection of the environment. The majority indicates that the facilitation has been to a large extent. Again it is difficult to analyse this further alone based on the low number of replies.



From interviews there are from several expressed the view generally on the measures that it is positive that all to some extent include environmental protection aspects. This is in line with the findings i.e. under this measure that not only considerations are included, but also that the effects to some extent can be seen. It is however also generally expressed that there are possibilities for improvement in this aspect.

It is also generally expressed in the interviews, which supports the findings under this and the following measure, that the programme and the supported projects do support the environment and nature protection. Examples are generally reduction of waste, use of improved technology, and considerations related to landscape protection and negative impact on water, soil, and air.

### Measure 2.1 Development and improvement of rural infrastructure

This measure supports the improvement of rural infrastructure in relation to roads, tourist access routes and improvements of water supply. The main projects funded have concerned renewal of local roads, a large proportion have been on improvement of water supply.

The division and indications in the table should only seen as a theoretical exercise. In the project/cases in questions individual circumstances might have more importance and could change the picture.

**Table 48 Environmental impact of Measure 2.1**

Potential environmental impact	Specific objectives	Comment
Negative:	-	-
Mixture:	Increased proportion of farm roads and tourist routes meeting acceptable standard	Increased traffic with negative impact. Improved standard and environmental considerations positive.
Positive	Increase number of rural water supply systems meeting acceptable standards	

In the questionnaires to project holders under measure 2.1 the following question have relevance for environmental impact assessment:

**Table 49 Have the support investments entailed the following improvements**

	Significant improvement	Limited improvement	No improvement	Worse than before the investment	I don't know
An improved environmental impact	75,4 pct.	21,3 pct.	0,9 pct.	0,0 pct.	2,4 pct.
Improved waste management	30,3 pct.	42,9 pct.	17,1 pct.	0,0 pct.	9,7 pct.
A more appealing appearance of the landscape, charter of the village etc.	86,4 pct.	12,2 pct.	0,5 pct.	0,0 pct.	0,9 pct.
An improvement in the housing and sanitary conditions	91,3 pct.	5,2 pct.	2,2 pct.	0,4 pct.	0,9 pct.
Better management of available water resources	58,6 pct.	16,2 pct.	18,3 pct.	0,5 pct.	6,3 pct.
Contribution to protection and conservation of environment on area	67,9 pct.	26,8 pct.	2,9 pct.	0,5 pct.	0,9 pct.

Source: Questionnaires for M 2.1 N=+150

From the table can be seen that a majority of the project holders express that they find the support has led to significant improved environmental impact, and that nearly all express an improvement to some extent. Improved waste management is also expressed, though with a majority indicating limited improvement, but again a majority indicates a positive improvement grouped together. In relation to management of available water resources close to 60 pct. indicate significant improvement and 75 pct. grouped positive improvement. Finally around 95 pct. indicate that there has been a positive contribution to protection and conservation of the environment with a majority (around 68 pct.) even indicating that this has been significant.

In total the observation from project holders in relation to the measure and improved environmental conditions have significantly been positive to very positive. In no cases there has been indications that conditions in relation to support has led to an situation where the conditions are worse than before the investment. The detailed evaluation of the improvement should however also be based on clear indicators, which still need to be further developed as described below. The number of project holders that have replied under this measure – compared to the previous – is however so high that the response is significant – seen from the point of view of project holders.

**Table 50 How appropriate do you find the following eligibility criteria for being able to get support?**

	Very appropriate	Appropriate	Inappropriate	Very inappropriate	I don't know
Preparation of an environmental impact assessment	50,0 pct.	41,5 pct.	4,2 pct.	0,9 pct.	2,8 pct.

Source; Questionnaires for M 2.1 N=164

It can finally be mentioned - as can be seen from the above table - that asked if the project holder finds the preparation of an environmental impact assessment appropriate 50 pct. finds this very appropriate and 41,5 pct. finds it appropriate. There is in other words a strong significant support for the relevance of the preparation among project holders and the awareness on the possibility to additionally secure a positive effect in relation to environmental impact with the project activities is high.

#### **4.6.6. Accredited measures but non- implemented**

##### **Measure 3.1 Investments in agricultural holdings**

This measure supports the investments focusing on improving agricultural buildings, equipment, and machinery for all types of farming on farms managed by young farmers. This measure has been accredited by no projects have at this stage been initiated that are included in the evaluation.

In relation to objectives some could have potentially negative environmental impacts, some includes a mixture of potentially positive and negative impacts and some positive impacts. The division and indications in the table should only seen as a theoretical exercise. In the project/cases in questions individual circumstances might have more importance and could change the picture.

**Table 51 Potential impact of Measure 3.1**

Potential environmental impact	Specific objectives	Comment
<i>Negative:</i>	Increase income per AWU	Intensification of farming practices could have increased negative impact.
<i>Mixture:</i>	Specialization and modernization	Intensification negative, lower emissions and waste positive
	Improvement of working conditions and animal welfare	
<i>Positive:</i>	Increase quality and hygiene standards of products	

**Measure 3.4 Development and diversification of economic activities**

This measure supports the development and diversification of the economic activities in the countryside restricted geographically to wine tourist routes. This measure has been accredited by no projects have at this stage been initiated that are included in the evaluation.

The division and indications in the table should only seen as a theoretical exercise. In the project/cases in questions individual circumstances might have more importance and could change the picture.

**Table 52 Environmental impact of Measure 3.4**

Potential environmental impact	Specific objectives	Comment
Negative:	-	-
Mixture:	Increase number of farms that add value to production	For all objectives there could follow negative impacts from increased activities on the farms. Investments in wastewater treatment, waste handling and other improvements could have an positive impact
	Increase number of farms with tourist business	
	Increase number of farms with craft business	
Positive	-	-

Under the measure are possibilities to consider promotion of eco-tourism and valorisation of protected areas through tourism that could be considered.

**Measure 4.1 Improvement of vocational training**

This measure has been accredited by no projects have at this stage been initiated that are included in the evaluation. The measure can be seen relevant in relation to environmental impact as training can lead to positive environmental impact by better use of resources, handling of waste products, awareness of impacts etc. It includes possibilities to secure education on agricultural production methods to protect the environment and landscape. The allocated funding is down to 1.3 pct. This seems to be very low for this important area and increase of funding should be considered.

**Measure 3.5 Forestry**

This measure has not been accredited but accreditation is foreseen in 2004. The measure can have importance in relation to environmental impact because it creates

possibilities to promote the use of native species, can secure improvement of forest areas, can secure afforestation of sensible areas, and can assist in prevention of erosion. On the more detailed level, it can assist in implementation of the described Natura 2000 network by securing or reinforcing certain protected forest nature types, secure forest corridors between protected areas, and prevent erosion in relation to protected sites. It measure could further have importance in relation to give encouragement to bring municipality forest areas into sustainable management, and to afforest poor quality land belonging to municipalities with the aim countering erosion and desertification. It could finally be considered to increase public intervention rate supporting the projects from 50 pct. to full or close to full coverage for sub-measures on afforestation and nurseries, to secure these activities not attractive in terms of financial return.

#### **4.6.7. Indicators and measures**

##### **Assessment and monitoring indicators**

According to the guidelines developed on mid term reviews experience to date according to the European Commission shows that very few Member States and regions systematically evaluate and monitor the environmental impact of the implementation of Structural Funds Programmes. This is according to the Commission not entirely their fault, as the regulatory requirements governing the Funds do not lay particular emphasis on this. The general concern is that Community environmental policy is kept. This kept in mind it is also emphasized by the Commission that for operational programmes it is essential to have an agreed set of indicators so that the impact of the programme can be monitored and subsequently evaluated.

In the SAPARD Evaluation Guidelines reference is made to output, result and impact indicators, but the common monitoring indicators distributed to all SAPARD countries by the Commission are exclusively focusing on input and output dimensions. However, it is the consultant's point of view that satisfying monitoring and evaluation of the Programme cannot be carried out using only input and output indicators.

Impact indicators is used to measure the overall effects of inputs and programme activities, for example changes in environmental effects, changes in employment, level of income, export etc. The impact indicators are therefore measuring the consequences of the activities, which are beyond the immediate effects of a programme.

In relation to Rural Development Programmes it is possible to list environmental indicators as follows:

##### *Indicators related to*

- *Water*
- *Soil*
- *Air*
- *natural resources and landscapes*
- *human aspects*

This could lead to a suggestion where the impact indicators proposed in the table below are used in relation to continued monitoring of the Programme in Romania.

**Table 53 Proposed list of environmental indicators to be used during SAPARD monitoring and evaluation**

Measure	Baseline indicator	Performance indicator	Impact indicator
1. Investment in agricultural holdings	<p>No. of identified stores requiring environmental improvements</p> <p>No. of identified agricultural holding requiring environmental improvements</p> <p>Pollution of waters by nitrates of identified water courses, mg/l</p> <p>Length of water courses polluted by manure, Km</p>	<p>No. of stores using environmental friendly technologies</p> <p>No. of agricultural holdings using environmental friendly technologies</p> <p>Environmental improvements</p> <p>Share of beneficiary holdings introducing environmental improvements thanks to co-financing (pct.)</p> <p>Share of assisted holdings improving storage/land spreading of farm manure (pct.)</p> <p>Share of assisted holdings meeting EU standards concerning farm manure (pct.)</p>	<p>Reduced pollution of waters by nitrates, mg/l</p> <p>Length of water courses protected by manure pollution, Km</p>
2. Support for capital investments in processing and marketing of agricultural and fishery products	<p>Share of the new environmental friendly products on total production (starting of SAPARD activities), (pct.)</p> <p>Share of market products from assisted processing /marketing lines with organic/bio labels (meat, milk, fish) (starting of SAPARD activities), pct.</p>	<p>The total volume of investment dedicated to environment,</p> <p>Share of the new environmental friendly products on total production, (pct.)</p> <p>Share of market products from assisted processing /marketing lines with organic/bio labels (meat, milk, fish) pct.</p> <p>Waste collected/treated thanks to assisted actions (pct. of waste in assisted processing plants).</p> <p>pct. of energy consumption reduced in the processing plants</p> <p>Share of beneficiary companies utilising no ozone destroyer gases in the processing thanks to co-financing (pct.)</p>	<p>No. of companies producing with best available technologies supported by SAPARD</p> <p>No. of companies with organic/bio labels (meat, milk, fish) (supported by SAPARD),</p>
3. Economic diversification of farms	<p>Total area of identified landscape to improve (ha)</p> <p>Length of rivers identified as being of poor quality (Km)</p> <p>No. of wells identified as being of poor quality</p> <p>Total installed capacity of waste water treatment plants in the identified areas (m3)</p> <p>Total installed capacity of renewable resources plant in the identified areas (MW)</p>	<p>The degree of improved appearance of the landscape</p> <p>Reduced contamination of groundwater and water resources – Proportion of pure wells</p> <p>Reduced emissions of air pollutants – Proportion of removed or reduced air pollution sources</p> <p>Proportion of reduced consumption of fossil fuels/non renewable resources</p> <p>Volume of green investments</p>	<p>Total area of restored landscape (ha)</p> <p>Length of rivers now identified as being of good quality (Km)</p> <p>No. of wells now identified as being of good quality</p> <p>No. of waste water treatment plants implemented</p> <p>No. of installed renewable resources plants</p>

Measure	Baseline indicator	Performance indicator	Impact indicator
4. Support for improvement of rural infrastructure	<p>Length of rivers identified as being of poor quality (Km)</p> <p>No. of wells identified as being of poor quality</p> <p>Total installed capacity of waste water treatment plants in the identified areas (n. of inhabitants)</p> <p>Total installed capacity of renewable resources plant in the identified areas (MW)</p>	<p>Share of beneficiaries implementing environmental friendly investments</p> <p>Reduced contamination of groundwater and water resources – Proportion of pure wells</p> <p>Reduced emissions of air pollutants – Proportion of removed or reduced air pollution sources</p> <p>Proportion of reduced consumption of fossil fuels/non renewable resources</p> <p>Volume of green investments</p>	<p>Length of rivers now identified as being of good quality (Km)</p> <p>No. of wells now identified as being of good quality</p> <p>No. of waste water treatment plants implemented</p> <p>No. of installed renewable resources plants</p>

#### Need for amendments to indicators and measures

The Handbook on Environmental Assessment of Regional Development Plans and EU Structural Funds Programmes (1998) stresses the relevance to evaluate the need of amending measures as indicated in the introduction. This is in order to improve the program under evaluation and to provide to the competent Authorities suggestions and information to be utilised during the planning of future programs.

In the former section and section on the specific measures there has been given examples or described possibilities to increase or improve the environmental dimension of the Programme or alternatively to decrease the possible negative impact of the measures. A number of the conclusions and recommendations in this context are incorporated in the sections on conclusions and recommendations.

#### 4.7. Evaluation of the administrative set-up

This chapter presents the evaluation of the administration of the SAPARD Programme in Romania. The chapter includes sections on the structures established to administer the Programme, the costs of the administration, the implementation procedures including the monitoring of the Programme implementation, the staff and its skills.

The organisational structure to administer the Programme and the division of responsibilities across authorities and within the Agency, the co-ordination and relations between authorities is evaluated first in this section.

The extent to which the operational procedures are in compliance with the demands and requirements of the Commission is evaluated in the next section. The section also evaluates the extent to which the application processing is done on an adequate scientific level and how transparent and reasonable the procedures are. An evaluation of the data collection activities and the extent to which they support the monitoring and evaluation of the Programme is included in this section.

The skills, knowledge and experience of the administration staff are evaluated against those required to do the job. The views of interviewed staff themselves and the beneficiaries are used in this evaluation.

The data used for the evaluation of the SAPARD Programme administration was collected through a range of methods including questionnaire surveys, interviews, review of reports and case studies.

Views on various aspects of administration were compiled through a **questionnaire survey** of beneficiaries under each of the two measures 1.1 and 2.1. These were circulated by post, completed by the respondent and returned to the evaluator. The table in section 1.3.3 presents the number of beneficiaries targeted with the survey, the number of replies, the return percentage and the validity of the results obtained from the survey.

The number of targeted beneficiaries is equal to the total population of beneficiaries with approved projects. The return percentage is satisfactory due to the very short implementation period of the survey, and therefore the total validity percentage should be considered acceptable as well. The validity percentage expresses the degree of validity of the results obtained, and as indicated the results should be assessed within an interval of less than +/- 5.0 pct. The results concerning measure 1.1 is however less significant than the results concerning measure 2.1 as it is illustrated in the table. This should be considered assessing and interpreting the results reflected in the subsequent sections.

**Face to face interviews** with directors of the majority of the directorates within the SAPARD Agency were conducted by the consultant. These interviews did provide a good overview of the administration of the Programme, of the implementation procedures of the measures and of relevant issues and problems in the administrative set-up.

The range of **reports reviewed** included the operational manual, reporting templates, agreements with external authorities and delegated bodies, multi annual and annual financial agreements, publicity materials, minutes of Monitoring Committee Meetings, internal agency reports on various elements of administration etc.

**Case studies** were prepared for beneficiaries from each of the measures. Their views on the administration of the SAPARD Programme were taken into consideration in the evaluation.

**Interviews with stakeholders** are also reflected when relevant in order to contribute to the evaluation of the administrative set-up.

The guidelines for the evaluation of the Programme do not include **evaluation questions** concerning the administrative evaluation. The evaluation of the administrative set-up is therefore based on nine administrative evaluation questions developed by the evaluator. The following section presents the major findings and conclusions from the assessment of the administrative set-up, which also will answer the crosscutting evaluation question:

*To what extent have the implementing arrangements contributed to maximising the intended effects of the Programme?*

#### 4.7.1. The structure of the SAPARD implementation

The **SAPARD Agency**, founded in September 2000 as an autonomous agency subordinated of the Ministry of Agriculture, Forests, Water and Environment, is responsible for the technical and financial implementation of the SAPARD Programme. The Agency has 8 regional offices (BRIPS) for implementing the Programme – the regions being defined according to Law no. 151/1998 on regional development in Romania.

The **Managing Authority** of the SAPARD Programme is organized within the Ministry of European Integration, according to the Government Decision no. 339/2001. It is responsible for the coordination and reporting with respect to programme monitoring and assessment. The MA is also secretariat for the Monitoring Committee. The **Monitoring Committee** is established according to the Prime-Minister's decision no.271/2001, modified by Prime-Minister's decision no. 279/2003 in order to ensure the supervision, efficiency and quality of the programme implementation. It consists of representatives of governmental institutions in charge with the field covered by the programme, social partners and observers from the European Commission. The MC periodically assesses progress and authorises adjustments in the Programme based on input partly from the MA secretariat located in the MEI partly from the SA.

The **Competent Authority** for the SAPARD programme is the General-Directorate National Fund that lies within the Ministry of Public Finance. The role of the competent authority is to examine the structures and the procedures of the Agency with respect to the administrative, accounting, paying and internal audit settlements. The main attribution of the National Fund is to confer, monitor and withdraw the accreditation of the SAPARD Agency.

Romania's Court of Accounts has been assigned as a **Certifying Body** for the SAPARD programme, according to the Government Emergency Ordinance no. 101/2001. Its main obligations cover the external audit and certification of annual accounts of the SAPARD Agency.

In order to implement measure 1.1 and 2.1, the SAPARD Agency gave the responsibility to two **delegated bodies**, the Directorate of Rural Development within the MAFWE and the Ministry of Transport, Construction and Tourism (MTCT). These two delegated bodies have the responsibility of control of eligibility as well as on the spot control of the applications and payment claimants. Directorate of Rural Development has 42 local offices responsible for the specific implementation of the tasks, while the MTCT has 8 local offices responsible for their activities.

The following table summarises the regional structure of the SAPARD Agency in terms of regional BRIPS offices:



**Table 54 Summary of the regional structure of the SAPARD Agency**

Region no.	Official name	Judet in which the BRIPS is located	No. of counties	Area, sq.kms	Population (million)	Population density
1	North-East	Iasi	6	36,850	3.785	102.7
2	South-East	Constanta	6	35,762	2.943	82.3
3	South Muntenia	Dambovita	7	34,453	3.946	101.5
4	South-West Oltenia	Dolj	5	29,212	2.420	82.8
5	West	Timis	4	32,034	2.074	64.7
6	North-West	Satu Mare	6	34,159	2.862	83.8
7	Centre	Alba	6	34,100	2.661	78.0
8	Bucharest	Ilfov	2	1,821	2.305	1265.8
Bucharest Headquarters						

Source: SAPARD Agency

### Objectives

The Commission requirements in relation to management structure are according to the regulation and referred to in the Multi Annual Financial Agreement (hereinafter the MAFA) to:

- Set up a Managing Authority, which is responsible for the efficiency and correctness of co-ordination and reporting on the monitoring and evaluation of the Programme;
- Organise the administrative structure for the separation of the three payment related functions of authorisation, execution and accounting as well as separation of approval of applications and control;
- Organise the division of responsibility such that no official has responsibility at any time for any project, for more than one of the responsibilities for approving projects, controlling applications and projects, authorising payment, paying or accounting for sums;
- Ensure the establishment of an internal audit service to ensure the Agency's internal control operates effectively;
- Execution of payment and accounting for the commitment may not be delegated

### 4.7.2. Effectiveness

The overall responsible authority for the management of the SAPARD programme in Romania is the Ministry of European Integration (MEI). The Ministry is the Managing Authority (MA) and has taken initiative to establish a Monitoring Committee to monitor the progress of the programme implementation. The Directorate for Coordination of PHARE, ISPA and SAPARD Programmes of the MEI is hosting the secretariat of the MC and contributes to the monitoring of the Programme through the use of a set of monitoring indicators approved of the MC and made operational of the SAPARD Agency. The functions and the details of the MC will be dealt with in a later section of this part of the report.

Here we can conclude that Romania has established the overall managing structures as prescribed in the MAFA. The evaluator however wants to emphasize three issues which might be considered changed.

First, it should be mentioned that the location of the MA in the MEI and not in the MAFWE as usually observed in other new member states might be questionable. On the one hand it might be positive in order to harvest large scale benefits and lessons learned from the administration of other accession programmes, such as PHARE and ISPA, but on the other hand the MEI does not have the needed technical knowledge and insight in the agricultural and rural policy area to be involved in the details of programme implementation. This expertise is in the MAFWE with the Minister as overall responsible for the Programme implementation. Therefore it appears that it will be fruitful to relocate the MA to the MAFWE, which is also planned, and the evaluator considers that a good step in order to increase the focus and attention of the MAFWE on the MA roles and responsibilities as soon as possible.

This step might also be seen in the light of the fact that the evaluator has observed quite some critical remarks on the MA and the accomplishment of the tasks of the MA in the MEI during the interviews. The move of the MA from the MEI to the MAFWE could therefore contribute to strengthen the MA functions, and the needed resources to ensure the enhancement of the cooperation between the MA and the stakeholders and the Agency should be allocated to the MAFWE to make this happen.

Second, the delegation of essential tasks of the SA to external partners might be questionable. Especially is the delegation of control functions upwards in the ministerial hierarchy to the Directorate of Rural Development within the MAFWE a delegation very rarely observed. In other countries control functions are typically delegated to other operational and implementing bodies within the ministerial hierarchy, but at lower level. The present situation in Romania might increase the risk for conflicting interests between the Ministry and the Directorate for Rural Development and might place the SA in a somewhat strange position between its responsible ministry on the one hand and its delegated body on the other. The planned transfer of the tasks and responsibilities as well as the staff and the organisation as such from the Directorate to the SA is therefore assessed of the evaluator as an adequate step in order to avoid any risks for conflicting interests and illogical division of work. This issue is even more important, when the MA responsibility is transferred to the MAFWE.

Third, the three levels of responsibilities and tasks in the organisation appear to be rather complicated. We recognise that the geographical size of Romania calls for a regional implementation of the Programme, but the involvement of local offices in the administrative procedures is contributing to increased complexity and to the risk of having relatively high transaction costs. 42 local rural development offices under the MAFWE with more than 350 people employed appear to be unnecessary bureaucratic and expensive. A regionalised model with enhanced BRIPS conducting conformity checks, eligibility checks and on the spot controls should be able to manage the implementation of the programme more effective than the present model. The role of the local offices could be changed to be information or consultation offices, if a local anchoring is considered important, what the evaluator wants to recommend. The figures below present the organisation chart of the Agency.

Figure 1 Organogram of the SAPARD Agency

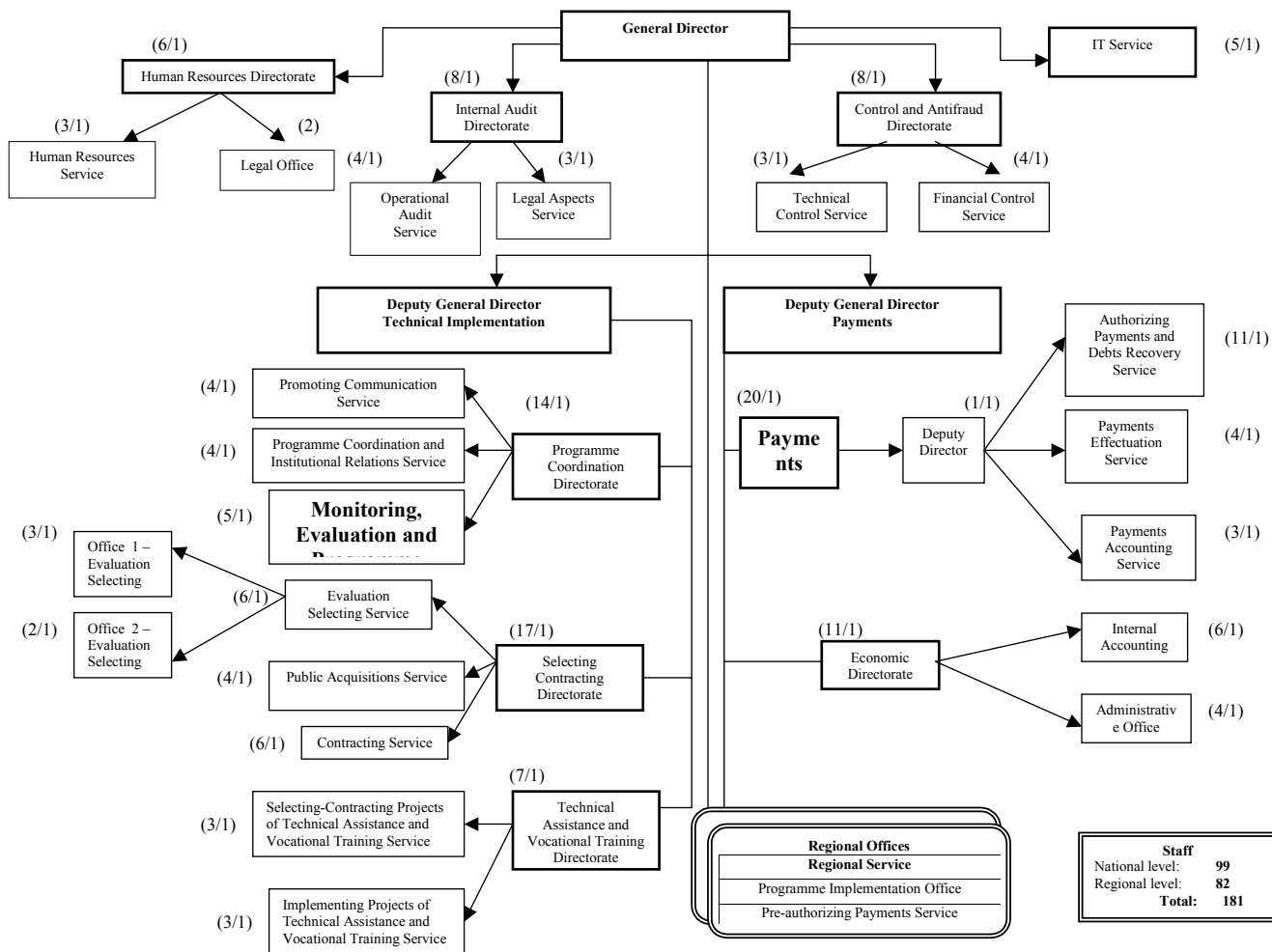
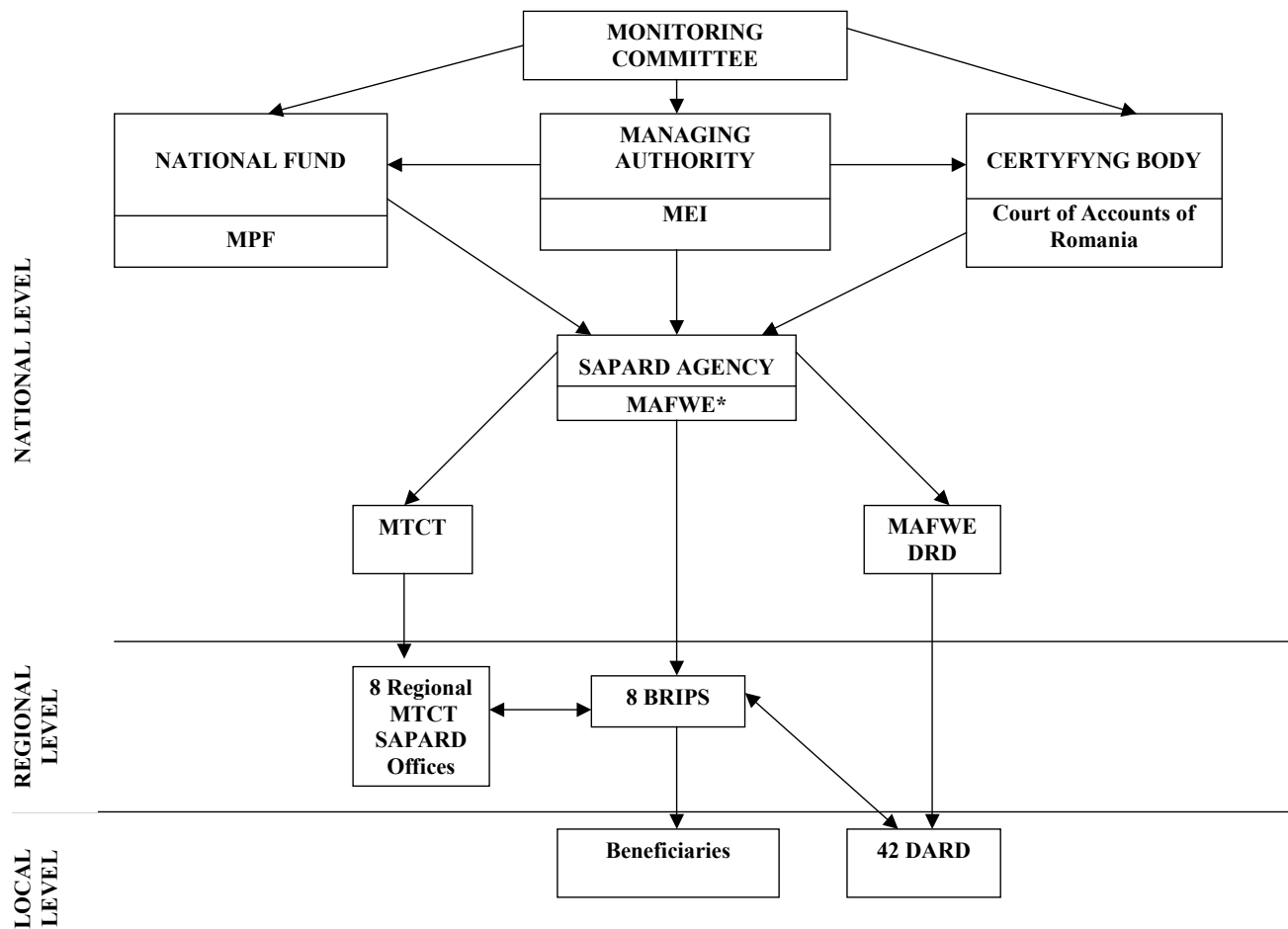


Figure 2 Overall structure of the Programme Implementation



The organisation of work as shown in Figure 1 and Figure 2 meets generally with the Commission requirements. The responsibility for approving projects, authorising payment, paying and accounting for resources committed as well as control are separated among directorates and delegated bodies. Interviews in the Agency and operational manuals also document that the responsibility is not placed on any one official, but is carried out of two officials within each section and directorate. This four eyes principle and this structure is in accordance with the requirements by the Commission as specified in the MAFA.

In general the evaluator finds that the programme administration is structured in accordance with the requirements from the Commission and that the steps taken recently to change the structure of the programme implementation will contribute further to this. Finally, a regional approach in stead of heavy involvement of the local level would further increase the chances for an effective programme implementation.

### Views of Beneficiaries

The evaluator has through the questionnaire survey to all beneficiaries collected information about the opinion of the beneficiaries about the involvement of the different stakeholders and authorities in the programme implementation and management.

The result of this exercise concerning measure 2.1 is presented in the table below.

**Table 55 How do you find the involvement of the following actors in the administration of the measure? (measure 2.1)**

Actor	Very satisfactory	Satisfactory	Unsatisfactory	Very unsatisfactory	I don't know
The Ministry of Agriculture, Forests, Water and Environment	45.9	42.2	4.1	0.9	6.9
The Ministry of Transport, Construction and Tourism	49.7	30.2	8.0	0.5	11.6
SAPARD Agency	81.9	14.9	2.8	0.4	0.0
Agricultural advisors	16.8	35.6	22.0	5.2	20.4
The Ministry of European Integration	54.6	24.6	5.8	1.4	13.0

Source: Questionnaire M 2.1 N=199-248

It is obvious from the figures in the table that the Agency achieves a very high score concerning user satisfaction. More than 3/4 of them are very satisfied, and included the category of satisfied beneficiaries the percentage is almost 97 pct. Even within the validity interval the score will not dive below 90 pct.

It should also be noticed that the MAFWE achieves a very positive result, as almost 90 pct are satisfied or very satisfied with the majority in the very satisfied category. The MTCT is assessed a little lower as around 80 pct are satisfied, and 20 pct are ei-

ther not satisfied or do not know. This last statement is surprising as the measure 2.1 is controlled of the MTCT as a delegated body.

The MEI receives about the same score as the MTCT with around 80 pct satisfied or very satisfied beneficiaries.

The situation for the Agricultural advisors is different. A little more than 50 pct. are satisfied or very satisfied, but almost one third is negative in their response on the involvement of the advisors and almost 20 pct do not know. This is a weak point in the sense that the agricultural advisors are promoting the Programme. However, the measure is not directly agricultural, which could explain the low score.

### **Conclusion**

In **conclusion** of the section the evaluator emphasises the answer to the subsequent evaluation questions.

*To what extent are the coordination and relations among the administrative authorities adequate?*

It is the assessment of the evaluator that the coordination and relations among the administrative authorities are adequate to a satisfactory degree. However, it is also observed that the relations could be improved through the transfer of the MA to the MAFWE and that the coordination could be improved by the transfer of the externally delegated functions from the delegated bodies to the SA. Finally, an enhanced regional implementation model transferring administrative tasks from the local level to the regional level would also lead to a more transparent and effective administrative set-up.

### **4.7.3. Implementing procedures**

#### **Introduction**

The implementation of the Programme including the different operations and functions concerning approval, control and payment tasks of the Agency, are defined in Article 5 of the Financial Management Section of the MAFA and Rules for Implementation Art 15 Council regulation No 1268. The evaluation of these procedures is presented in the following section. The subsequent sections outline the compliance with these requirements and the cost effectiveness of doing so.

#### **Objectives**

The objectives for procedures and systems can be broken down into, but not necessary limited to the subsequent issues:

#### **Operational Manual**

- Prepare a detailed written procedure for the receipt, recording and processing of applications for project approval, claims, invoices and supporting documents and control reports including a description of all documents to be used;

#### **Implementation and control objectives**

- Check for eligibility of applications and compliance with this MAFA before entering contracts and commitments;
- Conduct on the spot checks to establish eligibility prior to and following project approval;
- Issue a written contract between the beneficiary and the Agency;

#### **Payment and control objectives**

- Check the admissibility of claims and compliance with the MAFA before payment is authorised;
- Conduct on the spot check to establish eligibility of payment;
- Authorise the payment to beneficiaries;
- Record the commitments and payments in the accounts;
- Execute the payments to the beneficiaries;
- Keep records justifying the payments and conduct administrative and physical controls and
- Use checklists of the verifications to be undertaken and these approved by more senior staff.

#### **4.7.4. Description of implementation procedures**

To establish an overview over the procedures the main steps are described below in accordance with the operational manual and the observations done during the evaluation.

##### **Operational Manual**

The procedures manuals and other documentation for the programme implementation amount to nearly 600 pages in seven volumes. As far as the beneficiaries are concerned, the application form and the instructions on how to complete it are over 70 pages.

This comprehensive documentation and description of tasks and responsibilities for each of the SA directorates and delegated bodies was drawn up by the Agency in co-operation with the relevant ministries as part of the accreditation exercise leading to the overall approval of the Agency as responsible agency for the implementation of the programme. The accreditation is based on manual management and not on use of IT systems.

The manuals elaborate in great detail all the steps, tasks and responsibilities associated with the implementation of the SAPARD Programme. It is working documents for all staff involved in the implementation of the SAPARD Programme in Romania.

The manuals are supported with document and report templates in order for the staff to better orient among the documents required to administer the steps in line with the manuals. The manuals are considered adequate and well written in order to instruct the staffs on the procedures and steps to take in the administration.

#### **Main Implementation and Payment Procedures for an application under SAPARD**

The SAPARD Programme has been implemented by the Agency. The principle steps are as follows:

The applicants deliver their application for SAPARD funds personally to the relevant regional office (BRIPS) of the SA. The documents submitted by the applicant are checked for completeness and a checklist is used to verify that all of the annexes requested are included. This conformity check is done of one desk officer together with the applicant, and a certificate is co-signed that the application is in conformity with the requirements. The conformity of the application is verified of a second senior staff at a late stage, before entering the next step in the processing.

If the application is incomplete the applicant is asked to provide the missing information and to deliver the application again.

Following the positive conformity check the application is sent to the relevant delegated body for control of eligibility. For measure 1.1 it is the local offices of the Rural Development Directorate and for measure 2.1 it is the regional offices of the MTCT. Ex ante site visits (pre approval on the spot controls) are conducted of the delegated bodies for all valid applications. The purpose of the site visit is to establish that no work has commenced and that the information submitted in the written document is accurate.

Having completed the on the spot controls through the site visits as well as the eligibility checks on the documents the applicants file is returned to the BRIPS, where the second eligibility check is carried out. If this is in line with the conclusion of the delegated body a decision of support is taken and sent to the Selection and Contracting Directorate at the SA headquarters doing the preparation of contract. A period of maximum 60 days must be respected from receipt of application in the BRIPS and sending a decision to the applicant positive or negative. The General Director of the Agency will sign the decision and at a later stage the contract with the beneficiary. If there are discrepancies in the eligibility checks between the BRIPS and the delegated bodies, the SA headquarter' Directorate for Control and Antifraud will solve the conflicts and take a decision.

As work on implementation of the investment project progresses the beneficiary will submit payment claims and support these with proof of invoices and payment. The Directorate for Payments Projects will review the documentation submitted. In addition the delegated body will conduct an on the spot inspection of works completed



and further relevant documentation to ensure that the works have been carried out in accordance with the contract.

Where the claim is accepted, the relevant administrative steps are taken within the SA and the transfer of funds from the National Fund to the bank account of the beneficiary will be executed.

The following procedures indicate the timeframe of tender processing for SAPARD funding:

- A minimum of 30 days is required for the preparation and advertising of the tender dossier;
- 60 days is the mandatory period set by the Commission between the opening and closing dates for such tenders
- 60 days maximum to evaluate the tenders and award the contracts
- 90 days maximum from received payments claimants and payments

It is the assessment of the evaluator that these steps are in line with the requirements from the regulation. The steps include the required conformity checks, 2 eligibility checks, pre-approval on the spot control before contracting, and 2 checks of documentation and validity of payment claims as well as 1 on the spot control. Further more the Directorate for Selection and Contracting carry out a control of a sample of projects before contracting, and the Directorate for Internal Audit accomplish 100 pct. control of all steps from application to payment. Finally, the Control and Antifraud Directorate accomplish the 5 year ex post controls and the cases of identified irregularities and articulated complaints.

According to the interviews conducted the time limit for evaluating, selecting and contracting is held, but from the case studies we have learned that the length of the period from application to contracting has been as long as 5 to 6 months, which is far from being acceptable. The very long time for evaluating the projects delays the implementation of the projects and therefore also the programme as such. These delays are very costly for the applicants and should be avoided. One suggestion is to simplify the administrative steps. This can be done through the regional approach mentioned previously in this chapter centralising the now delegated activities into the BRIPS. Furthermore control procedures in the central SA headquarters could also be reduced, either to be handled by the Internal Audit Directorate or the Control and Antifraud Directorate. An external factor should also be mentioned. Several other ministries are also involved in the application process delivering certificates, documentations etc. to the applicants. The involvements of these other public bodies might also be a course for delays, although this is not documented through this midterm evaluation. Finally, the quality of the applications might as well be a reason for delays, if the applications do not fulfil the formal requirements and are inadequate and of low quality.

On the other hand the situation is different concerning the 90 days time limit for payments. An average of 55 days has been experienced in the Agency so far, and only in a very few cases did the Agency use more time than 90 days. In these cases it was due

to inadequate documentation and invoices from beneficiaries. The evaluator has noticed that multiple payment claims are allowed for the beneficiaries, and this is positive in terms of giving the beneficiaries a chance to improve the cash liquidity of the projects. On the other hand the large number of possible payment claims is a potential burden on the administration, and it could be considered to reduce this burden in the future by reducing the number of potential payment claimants from the present situation with 7 possible claims to a maximum 3.

However, it can be concluded that the views of the beneficiaries generally support a generally positive assessment of the procedures. The evaluator has collected information from the beneficiaries on their opinion on the administration of the programme support. This is presented in the table below.

**Table 56 Do you find that the administration of the support is suitable?**

Measure	It's very suitable	It's suitable	It's unsuitable	It's very unsuitable	I don't know
1.1 (Percent)	31.3	62.5	6.3	0.0	0.0
2.1. (Percent)	79.6	18.4	1.2	0.0	0.5
Total	76.7	20.9	1.0	0.0	0.5

Source: Questionnaires, N=17/240

As it stands out 98 pct of the beneficiaries asked this question are satisfied or even very satisfied with the administration of the support under the programme. It is a very impressive result outmatching any other results from midterm evaluations in other new member countries. However, there is a big difference between the two measures, as 61.5 pct of the respondents from measure 1.1 find the administration suitable, while 80 pct from measure 2.1 find it *very* suitable.

#### **4.7.5. Evaluation of the effectiveness of the implementation of procedures**

As indicated above, the evaluator is as such generally satisfied with the administrative procedures as described. All stages of the procedures are documented on different reports and templates, and data validation and verification occur throughout all stages of project administration, appraisal and control. A structured approach is apparently adapted to appraisal, validation and verification through the use of checklists, double control of data, segregations of responsibilities and the respect of the four eyes principle.

The division of labour and responsibilities appears however to be too complicated and the local involvement in the administrative procedures could with benefit be eliminated and substituted of a regional approach. During the implementation period we have seen more than 200 cases of discrepancies in the assessment of the project eligibility between the BRIPS and the local offices of the technical delegated bodies. In most cases the discrepancies were about the definition and the delimitation of the eligible costs of the projects, and therefore about the budget of the project. In about 80 pct of the cases did the SA headquarter take the position of the BRIPS and only in 20 pct it did take the position of the local delegated body. Most of the cases were from measure 2.1. It is our impression that the number of discrepancies would be lower if

the eligibility checks are done within the same organisation (in casu in the BRIPS), although segregated in accordance with the MAFA requirements.

Finally, it must also be emphasized that the administration is not supported with an adequately integrated computer system. It is a requirement from the Commission to establish a computer based administration system as part of the accreditation, but in many cases the computer based administrative system is introduced later based on a dispensation from the Commission.

At the time of the evaluation, the SAPARD operations, except accounting, were carried out manually. This means that the SAPARD Agency was accredited through the use of paper-based procedures.

In order to reduce the problems of excessive administrative burden on SAPARD staff and to improve the various processes involved in the implementation of the programme, a project management system, called SAPARD Basic Information System (SBIS) is now in the process of being installed. This new computerised system will be subject to a secondary accreditation process in due course.

A fully integrated IT system will without any doubt of the evaluator facilitate the administration leading to more focus on content than on procedures.

#### Application process and procedures

The first and most crucial step for the potential beneficiaries is to prepare the application in line with the requirement described in the guidelines for applicants and in the public tender information. The views of beneficiaries on various components of the application process and procedures are reported below measure by measure.

**Table 57 Satisfaction in regard to the following issues relating to the project application (measure 1.1)**

(Percent)	Very Satisfactory	Satisfactory	Unsatisfactory	Very unsatisfactory	I don't know
Amount of calls for application	29.4	58.8	5.9	0.0	5.9
Length of calls for application	29.4	58.8	5.9	0.0	5.9
Amount and adequateness of information	23.5	70.6	5.9	0.0	0.0
Detail of information required in application	17.6	76.5	0.0	5.9	0.0
Requirements of the documents to be provided	17.6	70.6	11.8	0.0	0.0
Length of the project selection procedures	5.9	41.2	47.1	5.9	0.0
Transparency of the decision making in SAPARD agency	41.2	52.9	0.0	0.0	5.9

Source: Questionnaires, N=17

Concerning measure 1.1 the beneficiaries are satisfied or very satisfied on all parameters asked for in the survey (between 86 pct and 100 pct), except for one concerning the length of the project selection process. Here we find that 57 pct are unsatisfied and 7 pct very unsatisfied in the sense that the length of the selection process is too long.

It is very important to notice that 13 out of the 14 respondents (or 93 pct) find the transparency of the decision making in the Agency satisfactory or very satisfactory.

**Table 58 How do you find the following issues relating to project application? (Measure 2.1)**

	Very satisfactory	Satisfactory	Unsatisfactory	Very unsatisfactory	I don't know
Number of calls for application	45.2	49.8	1.2	0.0	3.7
Length of calls for application	32.9	57.5	5.8	0.4	3.3
Amount and adequateness of information available	50.2	42.3	6.2	0.8	0.4
Detail of information required in application	51.7	40.8	6.7	0.4	0.4
Requirements of the documents to be provided	37.8	46.1	12.9	2.5	0.4
Length of the project selection procedures	25.7	49.0	20.4	4.5	0.4
Transparency of the decision process	57.6	37.0	3.3	1.2	0.8

Source: Questionnaires, N=201-245

The beneficiaries of measure 2.1 are generally satisfied to the same degree as the beneficiaries of measure 1.1, although some respondents find the different issues unsatisfying or even very unsatisfying. Again it is the length of the selection process which is the worst case in the survey. Almost 30 pct find it too long, but also the requirements to the documents provided is to some extent negative assessed as 16 pct find the requirements too hard.

The length of the calls for application is also considered satisfactory as 88 pct express satisfaction with the length. Hardly any beneficiaries are unsatisfied.

It is the experience of the evaluator from other countries that the beneficiaries find it difficult and troublesome to obtain the required documentation. It does not seem to be the situation in Romania. The majority is satisfied or very satisfied and do not find it difficult to obtain the documentation. Also the details in the information and the amount and adequacy of the available information are considered satisfactory.

The requirement to deliver the application personally causes many problems for the applicants in order to travel a long way from home to regional office. This is learned from the regional seminars and from case studies conducted previous during the evaluation as well as articulated of stakeholders during interviews late in the evaluation process. Two solutions are possible: The first and most simple solution is to skip

the requirement and ask for posted applications. The second is to deliver to the local offices (Directorates for Agriculture and Rural Development at county level – DARD). It is the firm conviction of the evaluator that there should be no requirement for personally delivery of applications.

To **conclude** this section we will use the findings presented above to answer the following three evaluation questions.

*To what extent is the administration experienced and considered as relevant and reasonable of the beneficiaries?*

*Is the division of work and responsibilities among the involved authorities transparent and understandable for the beneficiaries?*

*To what extent is the administrative set-up transparent and reasonable?*

It is documented that the beneficiaries to a large extent consider the administration relevant and reasonable as well as transparent, which is a very positive result of the evaluation.

On the other side, one issue stands out as the one with the largest degree of dissatisfaction among the beneficiaries: the time length from application to contract. From the case studies it is experienced that the time length can be as long as 5 to 6 month from date of delivery of application to contracting. This is far beyond the time length set in the guidelines, and this calls for an increased effectiveness in the processing of applications.

The division of work and responsibilities is also to a large extent considered satisfactory assessed in terms of the opinion of the beneficiaries to the involvement of the different actors. However, the evaluator finds the division of responsibilities too complicated and ineffective and recommends the elimination of the administrative procedures from the local level and transferral hereof to the regional level.

### **EU Compliance**

The procedures and administrative practices described and evaluated above are in compliance with the demands of the EU Commission. Therefore it is possible to answer the evaluation question below positively.

*To what extent is the administrative praxis in compliance with the demands and requirements of the Commission?*

It is the conclusion of the evaluator that the administrative set up and praxis to a large extent is in compliance with the Commission requirement. However, a regional system in stead of a local system as well as an integrated IT system will support a more effective administration.

#### 4.7.6. Cost Effectiveness and Efficiency

The administration of the SAPARD programme is costly, and it must be costly due to the detailed requirements to the administrative procedures described and evaluated above. However, the cost should in some way be in balance with the financial outlet from the programme. Therefore it is paramount to answer the following evaluation question:

*To what extent are administrative costs in compliance (balance) with the financial flow of the programme and the measure (Money committed and paid out compared to administrative cost)?*

This section will provide an answer to this question.

In the table below we present an estimation of the costs of administration of the Programme in 2003. The cost estimate is very fragile, but is based on information available during the evaluator's final mission to the MEI, MAFWE and the Agency.

**Table 59 Administrative costs of the SAPARD Programme, 2003, ROL and EURO**

Costs	SAPARD Agency	Dir. of Rural Development (DARDS)	Ministry of Transport	Total	
	ROL (millions)	ROL (millions)	ROL (millions)	ROL (millions)	EURO ('000)
Wages	38,000	19,750	2,400	60,150	
Expenditures	12,500	19,750	2,400	34,650	
Capital costs	9,100	-		9,100	
Total costs	59,600	39,500	4,800	103,900	3,373

Source: SA, DRD, MEI, 2004

In the table we have selected three accounts: The wages account, the account for expenditures and the account for capital costs as well as the total account. The figures concerning the SA including the BRIPS are very valid. They are provided of the accounting directorate in the Agency and are figures from the accounts of 2003.

The figures from Directorate of Rural Development are based on information from the Directorates through an interview and are qualified estimates. The same count for the MTCT, but here the assessment is based on information from the MEI on the number of staff in the 8 local offices of the MTCT.

The administrative costs are compared to the amount of money committed during 2003. This is done in the next table.

**Table 60 Commitments, total public and EU, SAPARD 2003**

Commitments		Adm. costs 2003		Percentage
ROL (millions)	EURO (millions)	ROL (millions)	EURO (millions)	
14,475,189	353.5	103,900	2.54	0.72

Source: SA, exchange rate 40,952 ROL/EURO

If we look at the year 2003 and consider it an average operational year of the SAPARD Programme with tenders, project selections and contracting and payments, we will see administrative cost of 2.54 million EURO related to commitments of 353.5 million EURO equivalent to 0.72 pct. of the administrative costs.

This is a very low figure compared to other accession countries and member states as well with administrative cost percentages around 5. The reason is apparently low unit costs due to relative few but large projects with the infrastructure projects counting the most. 541 projects were approved in 2003 representing a total commitment of 353 million EURO or 653,000 EURO per project. From other countries we have experienced commitments from 100.000 EURO per project to 200.000 EURO per projects under programmes with several measures accredited. With a full accreditation of the Romania programme we might expect that the administrative costs per project will increase 4 to 6 times and reach levels between 3 and 5 pct with the present cost structure.

It must also be emphasized that it is very difficult to prepare these calculations and to compare them across countries. The costs in Romania for the administration of the SAPARD Programme appears to be accurate, but the used figures for the delegated bodies are estimations based on discussions with key staff, but not based on accounts, and therefore no waterproof figures are available. Compared to availability of administrative cost in other countries the transparency in Romania is high in the SA, but we need more transparent set of figures for the delegated bodies in order to make the comparative assessment properly.

However, the evaluator still concludes that the administrative costs in Romania are in the lower scale, probably due to low administrative unit costs of the infrastructure projects under measure 2.1 and low wages in general. There fore the answer to the evaluation question is that the administrative cost is in balance with the resources committed.

Never the less the evaluator assesses the present system to be rather expensive on its own terms measured in terms of staff involved in the administration. In particular the local offices of the delegated body (DARD) represent a huge number of people. The expected transfer of the delegated bodies to the SA will further put pressure on the costs as the wage system within the Agency is relative more expensive than the ministerial wage system. The wages in the agency are in average 70 pct higher than in the ministries. Therefore a more resource effective model with enhanced regional offices could contribute to keeping the relatively low administrative cost. A wider range of accredited measures will also push the percentage up and make it more in line with the experiences from other countries.

#### 4.7.7. Monitoring

##### Introduction

According to MAFA, Section B, Article 7 a Monitoring Committee shall be set up of the MA to assess the effectiveness and quality of implementation of the Programme. As we have mentioned in the section on the structure of the Programme, the MA has effectively set up the Monitoring Committee. In this section we will look into the general monitoring system of the Agency and we will provide an answer to this evaluation question:

*To what extent do the data collection activities of the Agency support the monitoring of programme implementation and programme evaluation?*

##### Objectives

The specific objectives of the MA in relation to a Monitoring Committee are

- Set up a Monitoring Committee to:
  - Give an opinion on the criteria for selecting and ranking the projects under each measure;
  - Review progress made towards achieving the objectives set out in the Programme;
  - Examine the achievement of targets for each measure and use of financial allocation;
  - Review the mid-term evaluation;
  - Review the annual and final implementation reports;
  - Review any proposal to amend the Programme before submission to Commission;
  - Propose amendments to the Programme to facilitate the attainment of objectives
- Install a system to report on progress of each project and measure towards pre-defined indicators;

#### 4.7.8. Effectiveness of Monitoring

##### Monitoring Committee

A Monitoring Committee comprising of 27 members was set up and has held five meetings during the period June 2002 to March 2004.

The members are from the MEI (including the chairman and the secretary), other ministries, public agencies and economic and social partners.

##### Annual Implementation Report

An annual implementation report is mandatory according to MAFA and should follow the formal requirements to an annual report. No such report is produced of the MA



secretariat so far, but the 2003 annual report is expected to be produced shortly and will be presented for the MC for approval.

### **Management Information System**

The annual report is one element in the overall management information system in operation and covering the progress of the implementation of the programme. A comprehensive monitoring and evaluation manual is prepared and this manual could provide a good starting point for the development of the system.

The cornerstone in the management information system is the use of monitoring and evaluation indicators. A set of indicators is presented in the Programming document and this set is the basis for the approved set of the indicators of the MC.

The approved indicators are in compliance with the indicators recommended of the Commission and are financial indicators describing the development in the outlet of resources, and it is physical indicators describing the output of the project activities in terms of absolute physical units such as number of kilometre roads, water mains, number of cubic meters storage capacity etc.

These indicators are applied in the data collection system operated of the Agency. The primary data-collecting instrument is the application form, the reporting templates and the final reports from the beneficiaries. In principle the data collection system should be supported by a computer system, but this is not yet the situation in Romania.

The types of indicators used now are in line with the recommendations from the Commission. However they are more or less useless in relation to fulfilling their objective of supporting the MC with information of the progress of the programme implementation. On the other hand the indicators and the data collection system provide the MC with adequate information about the number of approved projects and the amounts of money committed year by year. Occasionally, the MC is provided with information on the physical indicators, but this is often not the case due to lack of data collection on these indicators. On the other hand the physical and financial indicators do not provide information about the results and the impacts of the projects, of the measures and of the programme as such. Therefore, the MC does not have information about these important issues due to the lack of adequate indicators and due to lack of collection of information on these indicators on a continuous basis during programme implementation.

The application forms and the reporting templates should be the instruments prepared to collect the information but the design of the application forms and the questions raised in the forms do not support this type of data collection. The monitoring indicator system should therefore be revised in order to cover all levels in the objectives hierarchy of the programme, meaning input, output, results and impacts.

### **Conclusion**

As a conclusion the answer to the evaluation question should be delivered:

*To what extent do the data collection activities of the Agency support the monitoring of programme implementation and programme evaluation?*

The data collection system and the used indicators do only to a minor extent support the monitoring of the programme implementation and the programme evaluation.

This conclusion is based on the findings that the indicators only are financial and physical and not result and impacts related and the application forms do not support the collection of the needed data.

#### **4.7.9. Staff, education and training**

##### **Number of staff**

The number of full time staff in the Agency including the BRIPS responsible for processing the SAPARD applications was 6 in 2000 and has increased since then to a total of 171 in 2003.

**Table 61 Agency staffs 2000-2003**

<b>END OF THE YEAR</b>	<b>STAFF</b>	<b>CENTRAL LEVEL</b>	<b>REGIONAL LEVEL</b>
2000	6	6	0
2001	139	67	72
2002	134	66	68
2003	171	90	81

Source; SA

In addition to this number the local offices of the Directorate of the Rural Development has almost 400 employees and the local offices of the MTCT has around 50. More than 600 people are now employed in the administration of the programme in Romania. It is a very high number compared to other countries and basically due to the involvement of the local level of the delegated bodies.

##### **Education and training**

The majority of the staff in the Agency has an academic education, while a few have a shorter technical and secondary education. Among the academic staff employees with an education in agricultural sciences represent the biggest share and this share has been steadily increasing over the years followed by economists and other management and administrative educations.

The Agency has a very professional recruitment procedure contributing to selection and good basic training of the new staff. The formal requirements to the applicants of vacant jobs are demanding (English and knowledge of EU regulation) the SA only receives only few applications on each of the jobs announced. Individual training programmes are also in force. The Human resource directorate appears to contribute significantly to the build up of competences in the agency and to maintain the competences at a high level.

The staff considers the Agency as a good and attractive work place, due to a positive reputation, relatively higher wages (70 pct.) and attractive job content. It is however documented of the SA that around 15 persons have left the SA each year since 2001 to the benefit of private firms and international organisations offering better work conditions and salaries. It is on the other hand a risk the SA must live with, and it is not considered a bigger threat to the build up of competences and qualifications within the SA. So far the workforce has been rather stable leading to the expected continuity and sustainability in the build up of competences and qualifications and therefore also in the build up in the routines related to the Acquis Communautaire.

### **Conclusion**

As a conclusion on this section on staff and training we can answer the evaluation question related to this issue:

*To what extent is the processing of the applications done on an adequate scientific/technical level?*

Through the interviews with the key staff in the relevant directorates of the Agency it is clear to the evaluator that the processing of the applications to a large extent is done on an adequate technical level as far as the central level is concerned. The education, experiences and training of the key staff responsible for the critical steps in the processing were very good on an absolute scale as well as compared to staff in similar positions in other countries. We were informed that the training provided for the staff in the head quarters also was available for the regional offices. Therefore we expect that the competence levels at the regional offices to some degree reflect the high level at the central office, although the evaluator did not conduct interviews regionally in order to assess this issue in details.

## 5. Conclusions and recommendations

In this final chapter of the MTE of the Romanian SAPARD Programme the conclusions and the recommendations are presented.

The chapter presents the conclusions and the recommendations measure by measure. Further more the chapter presents the conclusions and recommendation on programme level based on evaluation criteria and common cross cutting evaluation questions including the result of the evaluation of the Environmental Impact Assessment and the evaluation of the administrative system.

### 5.1. Measure level

In the following evaluator present some major recommendations for future programme implementation and design of the support measures. The recommendations are primarily based on the results of the MTE of this Programme combined with expected development in the rural development context.

#### 5.1.1. Measure 1.1

##### Conclusions

- Evaluator concludes that the measure is **relevant** and in **coherence** with the objectives
- However there is a low effectiveness of the measure, which is due to the following reasons:
  - Low knowledge of the Programme
  - Design of eligibility criteria
  - Long and bureaucratic processing of applications
  - Exchange rate fluctuations
  - Low absorption capacity
  - Differentiated co-financing rates
- Some deadweight effect is present compared to M 2.1 but also compared to other countries; more than half the beneficiaries would have invested in more than half of the investments even without support.
- There is however still additionality since the project implementation is sped up as well as more environmental concerns is implemented.
- The supported investments do support the introduction of more rational procedures as well as value adding in the processing. However problems faced in relation to the marketing of the improved products have not been dealt with, which hampers the realisation of impacts from the supported projects.
- It can be concluded that the supported investments might facilitate a more rational and cost effective production, which make up the increased competitiveness. Increased competitiveness accruing from better product quality and marketing has not been observed.
- Improvement in welfare is mainly targeted towards improved working conditions, which fulfils the objective in the Programme where more than 20 pct. of the supported activities should focus on improved working conditions. The

evaluator has found that all supported projects entail an improvement in the working conditions, of these 86 pct. finds a significant improvement.

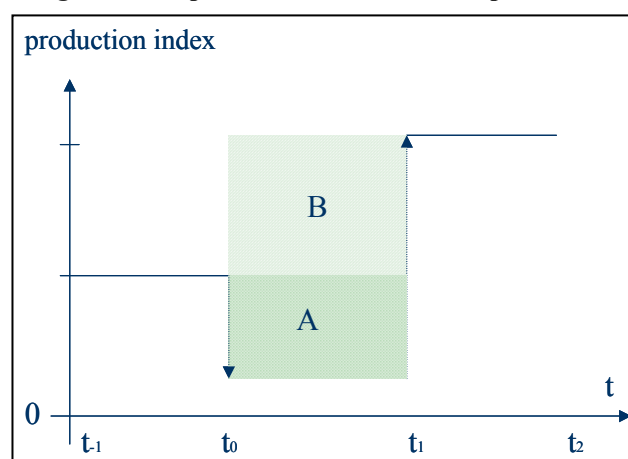
- Improvements in animal welfare are less significant as they are limited to a sub-sector of the agrobusiness industry.
- There is a significant environmental focus of the supported activities, which in part is due to the introduction of more efficient technologies and in part due to a (expected) low baseline of the supported companies.
- In relation to the ability to compete on the EU markets, evaluator finds that this is only marginally achieved. Currently only few of the Romanian companies holds export licenses to the single market, however introduction and adoption of EU standards in the supported companies does on the medium to long run opt for increased export to the EU members states.
- The benchmarking vis-à-vis EU entails a significant utility, which on both the administrative level as well on the project level creates a focal point for the supported activities.
- The sustainability of the supported activities is only secured in the short term. In the longer term creates management skills, structural development of the agrobusinesses as well as market access etc. additional contextual challenges for all firms.

#### **Recommendations**

1. The eligibility criteria for the measure should be evaluated. Especially the 100 pct. private ownership rule seems to be a burden for the larger enterprises as well as the late introduction of M 4.1 seems to be problematic.
2. In addition the scoring criteria could be designed so that companies living up to higher phytosanitarian standards (or other appreciated investments) are favoured.
3. Enterprises in urban areas with less than e.g. 10,000 inhabitants should be allowed to apply for the full measure, and only enterprises in cities larger than this should be limited to apply for modernisation only.
4. Allow for application of more than two projects in the Programme period.
5. Lift or remove ceilings for maximum amount of eligible costs to be supported under the Programme.
6. Facilitate additional projects with focus on marketing. A joint effort for promotion of products from a specific region or line of products could be favoured as to create synergy effects.

7. Give support for setting up and running a new investment for a limited period, in order to compensate for losses incurred during start-up phase of a project. This compensation should cover the losses incurred during the implementation period ('A') or even the loss incurred from not having the new investments in place ('A' and 'B')

**Figure 2 Compensation of loss due to implementation of new investments**



8. Develop operational indicators for output, results and impacts

#### 5.1.2. Measure 2.1

##### Conclusions

- The evaluator concludes that the measure is in coherence with the rural needs and is highly relevant in order to maintain a certain level of activities in the rural areas. This finding is supported by all data sources.
- Also the effectiveness of the measure, which is very high, underscores this finding. There is an excess of 395 projects that live up to the funding requirements, but where funds have been exempt.
- The evaluator concludes that there is no deadweight present in the measure. On the contrary a large additionality can be identified as the projects would to a very large extent not have been implemented (65 pct.) or only to a minor degree (30 pct.).
- The implementation is in strict coherence between the budgeted expenses distributed on sub-measures and the realised commitments. This reflects that the design of the Programme has been quite close to the real demands.
- The competitiveness of the rural areas vis-à-vis the urban areas is positively affected by the supported investments in basic infrastructure, but only marginally though. For companies the existence of infrastructure as well as service facilities is important and for the individuals the ability to get easy access to schools, doctors and other facilities has been found an important external factor. On the other hand the measure cannot be said to *worsen* the competitiveness of the rural areas.
- 91 pct. of the affected areas of the project implementations the quality of life has been improved to a large extent, hereby preventing depopulation, which 74 pct. finds prevented to a large extent whereas 19 pct. finds it to a more limited extent.

- The infrastructural projects allow access for a vast number of persons, which can be seen in part from the monitoring tables and in part the results from the questionnaires.
- The selection of projects is being conducted subject to the selection criteria, however the number of rounds are too many to effectively use the selection criteria. This hence afflicts the utility of the measure, as the most promising projects are not necessarily chosen.
- The development of rural infrastructure is very sustainable, but in relation to the above conclusion evaluator would like to stress that it is imperative that when there is a limited amount of funds that the projects ensuring the highest impact is selected.

#### **Recommendations**

9. Introduce longer application rounds as to include more projects in the selection procedure at the same time. Hence using an annual or bi-annual application round strategy allows for de-facto use of the selection criteria
10. A high priority should be given to projects combining piped water supply and sewerage
11. Where a wastewater collection and treatment system is not in place, the approved project should be linked to, and integrated with a project dealing with supply and treatment of wastewater
12. Give priority to projects with linkages to other projects supported under the programme, e.g. measure 3.4
13. Develop operational indicators for output, results and impacts

#### **5.1.3. Measure 4.2**

#### **Conclusions**

- In order for the Programme to be designed, implemented and administered properly the measure is highly relevant and in strict coherence with the additional support measures.
- However in spite of the coherence and the actual needs addressed by the measure the effectiveness of the measure is very low. Only four projects have been launched.
- Therefore has the facilitation in the implementation of the Programme and Programme actions been quite limited.
- The need is nevertheless pressing in particular within information on the Programme for both rural dwellers and staffs in the programme administration.
- Efficiency is ensured through e.g. a contractual relation with a private PR bureau, who disseminates information on the Programme on a regular basis
- The utility is currently low, but with increased activity under the measure the utility will show to be higher.
- Assisting in implementation of Programme actions is complementary to the actions under the individual measures and to the administration of the Programme.

Hence the sustainability of the measures and the Programme is in very close coherence with the results and impact derived from the technical assistance.

#### **Recommendations**

14. Increase the number of activities regarding publicity under the measure herein;
  - a. information to the public
  - b. specific information for targeted groups of potential beneficiaries
  - c. promotional activities in cooperation with the social partners (stakeholders)
15. Research on best practice on clustering of projects, integrated projects, green investments etc.
16. Identification of financial needs, exchange rate problems and long term financing
17. Develop a coherent set of monitoring indicators for Programme monitoring.

#### **5.2. Programme level**

This section summarizes the conclusions and the recommendations on the programme level based on the applied evaluation criteria and the common cross cutting evaluation questions. Further more the conclusions and the recommendations of the Environmental Impact Assessment and the Administration evaluation is presented.

This section summarizes the conclusions and the recommendations on the programme level based on the applied evaluation criteria and the common cross cutting evaluation questions. Further more the conclusions and the recommendations of the Environmental Impact Assessment and the Administration evaluation is presented.

#### **Conclusions on the programme implementation**

- The objectives of the Programme are found to be relevant in relation to addressing the needs in the rural areas of Romania.
- Internal coherence between the measures in the Programme has been identified and also in reality between measures 1.1. and 2.1. Evaluator would like to stress the importance of ensuring coherence in practical implementation and not just on paper in order to gain benefits from synergy effects.
- The evaluator finds the coherence between the Programme and other national programmes and projects is diminished by the application of the First In First Served principle in the selection of projects for measure 1.1. This principle has a low strategic and policy potential in the selection of projects under the Programme.
- The evaluator concludes that regional differences and needs in Romania are not addressed adequately.
- In general the Programme is considered attractive even though that several problems can be identified e.g. the difficulties with becoming economic creditable.
- There is a relatively low activity level in Romania, and hence that the effectiveness of the Programme implementation could be improved. Henceforth the Programme cannot be expected to create a significant impact on the alleviation of the addressed problems in the rural areas.



- A need for additional capacity building and training of administrative staff at local, regional and central level in relation to implementation of the CAP is essential.
- The Programme can be expected to create a positive impact on the stabilisation of the rural population especially with the implementation of measure 3.4. None of the current implemented measures and activities is directly targeted at the final beneficiaries in the rural areas, however both measure 1.1. and 2.1 are considered to have a positive indication regarding stabilisation of the rural population due to improved infrastructure facilities as well as an enhanced opportunity for keeping job or creating of new jobs.
- The Programme has facilitated a positive development in relation to creating and maintaining jobs, especially in relation to the processing industry. It is moreover expected that the new accredited measures will contribute positive in relation to creation or maintain jobs in the rural areas partly because of the design and objectives of the diversification measure, partly because creation of new jobs can be an important side effect of measure 3.1.
- The rural population at large benefits from improved rural infrastructure but also from support to the local industries. There are hence positive side effects from the supported projects.
- At the aggregated level the deadweight effect is very low since the dependence of support is significant high, especially concerning investments in infrastructure.
- The sustainability of the Programme relies in the realisation of additionally and utility of the supported activities, i.e. support that has the only objective to for example substitute an already existing production facility might be economic feasible and economic viable on the project level, but the economic sustainability of the projects and hence the measures lies in addressing the overall objectives of the Programme.
- If the objective of the Programme merely is to use the funds available, instead of focusing on the expected results and impacts, then the sustainability of the supported projects, and therefore the Programme, is very limited. It is considered important to stress this fact, as there currently are indications of a situation where the focus is on ensuring that the funds are used and not on results and impact.

#### **Recommendations at programme level**

18. The identification of specific objectives and appropriate measures should and has been a focal point in the development of the Programme. A close monitoring of the Programme as well as the rural development context will allow for timely adjustments of the prioritisation of the measures, the design of the eligibility criteria and in the short term allow for changes in the selection criteria.
19. The evaluator proposes that the financial allocation is targeted more towards measures 3.3 and 4.1. An increase of the activities under these measures is assessed as essential for a sustainable rural development, therefore resources from these activities ought to be channelled from pure investment measures or measures having a low additionally.
20. It is recommended to ensure coherence between approved projects - also between measures - in order to gain benefits from synergy effects. These positive effects accrue due to e.g. vertically integrated projects M3.4, M3.1 and M1.1. The selec-

tion of these projects should at all times be ensured through de-facto application of selection criteria. A tool for addressing coherence and synergies could be to create geographical clusters or give priority to integrated projects.

21. In order to reduce the territorial differences or to exploit regional potentials it could be considered to address the impact on certain rural areas through adoption of additional economic selection criteria. It is suggested to think this regional aspect into the diversification measure and the forestry measure.
22. In order to make the Programme more attractive it is recommended to assess different solutions regarding exchange rate problems and access to financial resources on all investments.
23. In order to enhance the implementation and hereby the effectiveness and effects of the Programme, it is recommended that the accreditation and implementation process of the remaining measures are facilitated. The evaluator finds that any delay in the accreditation and implementation process hampers the potential impact of the Programme, which no parties have interest in.
24. It is strongly recommended to upgrade training and capacity-building activities in order to fully implement the CAP and to enhance the implementation of the Programme.

### **5.3. Environmental Impact Assessment**

#### **Conclusions**

- From the environmental point of view, the evaluator concludes that the Programme of Romania is in compliance with the requirements of Council Regulation (EC) 1257/1999.
- The administration of the Programme in relation to environmental impact assessments is further found in accordance with the requirements and descriptions given in the RDP and covers evaluation of possible negative impact from implementations of programme and measures.
- However, it is also the conclusion of the evaluator that the responsible authorities will be able to pay more attention to the implementation of a number of directives influencing the use of agricultural land and the rural areas. These include the Birds (79/409/EEC) and Habitats (92/43/EEC) Directives, and the ongoing creation of the Natura 2000 network. This will be accentuated when the agri-environmental measure is accredited and implemented
- The evaluator also concludes that the Programme 2000-2006 have not fully provided the set of indicators that follows from formal requirements. It would be helpful if indicators were developed - including impact indicators – along the line indicated in the text.
- On the crosscutting question: “To what extent have the assisted measures contributed to protect the environment of the rural areas?” the evaluator finds that the measures indeed to some extent do contribute to protection of the ru-

ral environment. The programme only to a very limited extent assists in protection of habitats and landscapes naturally following from the range of measures accredited that are covered by the evaluation.

- The possibility to increase the rate of co-financing in relation to projects with a substantial environmental dimension – either with key objectives to prevent negative impact or with key objectives to improve natural conditions – should be considered. Example is the increase from 30 to 50 pct. in relation to such projects under measure 1.1.
- There are examples where there is still place for improvements in relation to EIA and compliance with the acquis. It should here be examined if there is possibility to increase staffing and fully secure mandatory EIA in relation to the measures.
- There are examples of bottlenecks related to staffing and administration of the programme. It could be concluded that it should be further analysed if training or increased staffing are needed to solve this.

#### **Recommendations**

The evaluator has the following recommendations on the EIA of the Programme.

25. Development of indicators related to environmental impact should take place. In order to facilitate the monitoring and evaluation activities, a tentative list of environmental impact indicators has been provided by the evaluator.
26. Generally there should be looked at the possibility to consider amendments of criteria for selection of projects under the different measures with considerations related to environmental EU regulations. I.e. projects living up to a higher degree of EIA should be favoured. The possibility should also be considered to increase the rate of co-financing in relation to projects with a substantial environmental dimension – either with key objectives to prevent negative impact or with key objectives to improve natural conditions. In addition training of administrative staffs should be further developed.
27. Promotion for NGOs of training activities under M4.1 should be prioritised in order to contribute to national, regional and local training initiatives and agri-environmental education, e.g. assistance under M3.1 could be provided for storage disposal of agricultural wastes, manures, agri-chemicals etc on agricultural holdings in line with EU regulations.
28. In addition education / training and assistance should be provided to the agricultural advisory services in areas subject to desertification and erosion, to promote ‘dry farming’ methods and the purchase of appropriate farm machinery.
29. Diversification into alternative crops and livestock which are better able to withstand the saline and dry conditions and which do not contribute further to the declining quality of land resources should be promoted under M3.1, M3.3 and M3.4.

30. The overgrazing of meadows and areas with bushes is a widespread problem, which is resulting in erosion. Further investigation is required to improve schemes of management for these areas and resources under M3.3 identified for this purpose.
31. Under M3.5 MAFWE should give encouragement to bring municipality forest areas into sustainable management, and to afforest poor quality land belonging to municipalities with the overall aim of countering erosion and desertification.
32. In order to maintain traditional farming practices in areas of high landscape value, increased (higher scoring on selection criteria) access to SAPARD funds under M3.3 and other appropriate measures should be encouraged. In addition 'green investments' should at all times and in all measures be favoured.

#### **5.4. Administration**

##### **Conclusions**

The following overall and specific conclusions are developed from the evaluation of the administrative set-up of the SAPARD Programme.

- The structures set up to manage and to administer the SAPARD Programme and the delegation of roles and responsibilities is generally in accordance with the requirements of the Commission.
- The administration of the SAPARD Programme is effective in meeting the requirements of the EU, but there is need for increased efficiency at the regional and the local level and the introduction of simpler procedures wherever possible.
- The procedures associated with implementation and payments are carried out as stated in the manuals and in accordance with the EU requirements.
- Project controls are being implemented as planned in the manuals.
- The administration practice and procedures are very complex and take long time to implement, and especially the time from submission of the application to contracting is considered too long and as a threat to programme implementation effectiveness.
- A Monitoring Committee has been up and running and meets its terms of reference (statutes) as set out in the MAFA.
- The work of the Monitoring Committee is not supported adequately neither by a database system to record and report management information on the implementation of the SAPARD Programme, nor by relevant indicators and data collection.

- The training has been sufficient to keep high levels of competence and qualifications among the staff, although the relative wage level compared to the private sector and international institutions/organisations may pose a threat to the sustainability of the competences assessed in a longer term perspective.

The conclusions can be summarized in relation to the evaluation criteria.

All activities evaluated concerning the administration of the Programme are deemed very **relevant** in relation to the objectives of the activities. The organisation of the structures and operations is relevant seen from a short term perspective concerning the implementation of the SAPARD programme, but also in a longer perspective concerning the administration of the overall CAP instruments when being a member of the EU from 2007, all though it is difficult to assess this issue so far.

The administrative set-up **is effective** as it fulfils the requirements set in the MAFA. This includes the management structure and the operational procedures in implementing the Programme through well educated staff supported with adequate training. Also a monitoring system is set up.

Concerning the **cost effectiveness** of the administration the evaluation concludes that the administration has room for improvements. It concerns the overall administration where the decentralised model at local level seems to be relatively complex and expensive measured on its own terms compared with the activity level of the Agency measures in terms of committed funds for support and applications processed. Also the time used to process the applications point in the direction of possible actions to be taken to increase the cost effectiveness of the administrative steps. It is however also a conclusion that the administrative costs so far are low compared to other countries but that the picture is influenced by the fact that the measures accredited are including expensive projects within food processing and infrastructure.

Also the monitoring system and the management information system could be improved in order to fully contribute to the objectives of the system, i.e. providing the MC with relevant useful information about the progress of the Programme implementation.

The overall **efficiency** and **utility** of the administration is of course affected of the reservations mentioned on the cost effectiveness, but in general the utility is good due to the fact that the administration set up reflects the build up of relevant and useful competences in order to handle the CAP instruments from the date of accession in the best way, based on the lessons learned from the SAPARD programme implementation and this midterm evaluation.

Finally, the **sustainability** of the administration is assessed positive. The workplace is attractive and the staffs are pleased to work in the Agency as an attractive work place. The number of staffs leaving the Agency is relative low and therefore it is concluded that the build up of competences is sustainable also for future program implementations and the management of the CAP instruments in general.

Based on these conclusions we recommend the following actions to be taken.

**Recommendations**

The following overall and specific recommendations arise from the evaluation of the SAPARD Programme.

33. Make it a strategic priority to increase the efficiency of the administration of the SAPARD Programme by reconsidering the local level as part of the administrative procedures and by reducing simplifying the control steps in the project selection process.
34. Critically review all parts of the procedures with a view to simplifying the process and improve the reporting and document templates, this is especially relevant for the control procedures and the strengthening of the administration on the regional level
35. Eliminate the eligibility criteria of personally delivered applications and other documents
36. Improve the information to beneficiaries and advisors especially on financial issues such as the eligibility criteria and eligible costs to improve the quality of the applications and payments claims and on tender procedures for the purchase of equipments and technologies
37. Improve to compile and monitor data on the costs of administration of the SAPARD Programme and value for money in relation to strategies pursued
38. Improve the monitoring system and the supporting data collection system in order to provide the MC with information on input, output, results and impacts of the Programme implementation
39. Take action to move the MA from the MIE (MoF) to the MAFWE as soon as possible and allocate the required resources to the build up of the MA competences in the MAFWE.
40. Take action (meetings, information activities etc.) to increase the involvement of stakeholders (ministries, organisations, institutions etc) in general and the MC members in particularly in the Programme implementation through information and through increased awareness of the role and responsibilities in facilitating Programme implementation.

# Annex I - Terms of Reference for URS as of primo

## Completion of the SAPARD Midterm Evaluation

### Romania

FOR THE PERIOD 2000 - 2003

## TABLE OF CONTENTS

<b>1.BACKGROUND INFORMATION.....</b>	<b>123</b>
<b>1.1 SAPARD Programme in Romania.....</b>	<b>123</b>
<b>1.2 Context of the Mid -Term Evaluation         of the SAPARD Programme in Romania.....</b>	<b>125</b>
<b>2.OBJECTIVES OF THE MID - TERM EVALUATION.....</b>	<b>126</b>
<b>3.ASSUMPTIONS AND RISKS.....</b>	<b>127</b>
<b>4.SCOPE OF WORK.....</b>	<b>128</b>
<b>4.1 Geographic scope and time frame.....</b>	<b>128</b>
<b>4.2 Regulatory scope.....</b>	<b>128</b>
<b>4.3 Activities specific to the mid term evaluation.....</b>	<b>128</b>
<b>4.4 Obligatory elements of the Mid-Term Evaluation.....</b>	<b>129</b>
<b>4.4.1 Analysis of the results of the ex-ante Evaluation.....</b>	<b>129</b>
<b>4.4.2 The validity of SWOT analysis effected during                 the ex-ante Evaluation of the Programme.....</b>	<b>129</b>
<b>4.4.3 Evaluation of adequacy and consistency of the                 Development Strategy in NPARD.....</b>	<b>130</b>
<b>4.4.4 The Quantification of Goals-Outputs, Results and Impact.....</b>	<b>131</b>
<b>4.4.5 Evaluation of the effectiveness and efficiency of Programme                 Implementation –Evaluation of policy and distribution                 of resources.....</b>	<b>132</b>
<b>4.4.6 Quality of Programme implementation and organizing of Monitoring... </b>	<b>133</b>
<b>4.4.7 Conclusions and recommendations.....</b>	<b>134</b>
<b>4.4.8 Institutional impact.....</b>	<b>135</b>
<b>4.4.9 Structure of Mid-Term Evaluation Report.....</b>	<b>135</b>
<b>4.4.10 Bibliography.....</b>	<b>137</b>
<b>4.5 Project Management.....</b>	<b>138</b>
<i>Obligations of the Managing Authority in Romania.....</i>	<b>138</b>
<i>Obligations of the Evaluator.....</i>	<b>138</b>
<b>5. LOGISTICS AND TIMING.....</b>	<b>139</b>
<b>5.1 Project Location.....</b>	<b>139</b>
<b>5.2 Project duration.....</b>	<b>139</b>
<b>6. REPORTING.....</b>	<b>139</b>
<b>6.1 Inception Report.....</b>	<b>139</b>
<b>6.2 Activity Reports.....</b>	<b>139</b>
<b>6.3 Mid-Term Evaluation Report.....</b>	<b>139</b>
<b>7. REQUIREMENTS.....</b>	<b>140</b>
<b>7.1 Independence of Evaluator.....</b>	<b>140</b>
<b>7.2 Profile of International experts.....</b>	<b>140</b>
<b>7.3 Profile of Romanian experts.....</b>	<b>140</b>



<b>8. EVALUATION QUALITY CRITERIA.....</b>	<b>141</b>
<b>9.CRITERIA FOR CONTRACT AWARDING.....</b>	<b>142</b>
<b>10.ANEX 1-COMMON EVALUATION QUESTIONS.....</b>	<b>144</b>
<b>TERMS OF REFERENCE</b>	

**Contract Title :** The Mid - Term Evaluation of the Special Pre-Accession Programme for Agriculture and Rural Development - SAPARD - in Romania.

**Location :** ROMANIA

**Contracting Authority :** The Managing Authority for the SAPARD Programme

## **1. BACKGROUND INFORMATION**

### **1.1 SAPARD Programme in Romania**

The Special Pre-Accession Programme for Agriculture and Rural Development – SAPARD – represents the financial contribution of the Community, established by the Commission Regulation (EC) 1268/1999 of 21 June 1999 concerning the support of the Community for the pre-accession measures in the field of agriculture in the candidate countries from East and Central Europe, during the pre-accession period.

On 21 June 2000, the European Commission decided on an annual indicative allocation for each candidate country within a total global amount of about 520 million Euro/year, over the period 2000-2006.

For Romania, the annual allocation amounts to about 153 million Euro which places our country the second on top, after Poland, among beneficiary countries.

The National Programme for Agriculture and Rural Development (NPARD) presented by the Romanian Government was endorsed by the STAR Committee of the European Union and approved officially by the European Commission by the Decision no. C (2000) 3742 of 12 December 2000. NPARD is the programming document which covers the whole rural areas and ensures the implementation of the first operational programme - the SAPARD Programme.

The strategic objectives of the Programme aim at:

- The implementation of the *acquis communautaire* concerning the common agricultural policy, the environment protection and related policies in the field of food and consumer protection regulations, public health, well being and good health condition of the animals and plants health.
- Engaging for the environment protection, the transposition in the national legislation and implementation of the Directive “Nitrates”, of the Programme “Natura 2000” and of the Directive “Evaluation of the Environmental Impact”.
- Solving priorities and specific problems for the sustainable adaptation of the agricultural sector and rural areas of Romania.

For the technical and financial implementation of the SAPARD Programme, the Romanian Government adopted on 14 September 2000 the Urgency Ordinance no.142/2000, approved by Law no. 309/2001 which establishes the setting up of the

SAPARD Agency as institution subordinated to the Ministry of Agriculture, Food and Forests, organized at central and regional level (8 regional offices corresponding to the 8 development regions of the country).

The Multi-Annual Financing Agreement, which defines the rules of the SAPARD Programme implementation, was signed by the Commission of European Communities and the Government of Romania on 2 February 2001 and ratified by Law no.317/2001.

The Annual Financing Agreements for 2000 and 2001 which establish the financial commitment of the Community for Romania for each of the above mentioned years as well as the period of validity were signed by the Commission of European Communities and the Government of Romania on 27 February 2001 and 30 January 2002 respectively and ratified by Law no. 316/2002 and by Law no. 416/2002 respectively.

On 11 July 2002, the Commission approved Romania's proposals to amend the NPARD. The need to amend the NPARD resulted, mainly, in the process of finalizing the specific procedures and operational structures in view of the SAPARD Agency accreditation and conferral of financial assistance management to Romania.

By the European Commission Decision (EC) 638/2002 of 31 July 2002, the SAPARD Agency was accredited and was conferred the decentralized management of the financial assistance provided by the SAPARD Programme for the implementation of three measures:

- Measure 1.1 - "Improvement of processing and marketing of the agricultural and fish products".
- Measure 2.1 - "Development and improvement of rural infrastructure".
- Measure 4.2 - "Technical assistance".

The other measures contained in the National Programme for Agriculture and Rural Development (NPARD) are to be accredited, namely:

- Measure 1.2 - "Improving the structures for quality, veterinary, and plant health controls, foodstuff quality and consumer protection"
- Measure 2.2 - "Management of water resources"
- Measure 3.1 - "Investments in agricultural holdings"
- Measure 3.2 - "Setting up producers groups"
- Measure 3.3 - "Agricultural production methods designed to protect the environment and maintain the countryside"
- Measure 3.4 - "Development and diversification of economic activities, multiple activities, alternative incomes"
- Measure 3.5 - "Forestry"
- Measure 4.1 - "Improvement of the vocational training"

## **1.2 Context of the Mid-Term Evaluation of the SAPARD Programme in Romania**

The general framework which defines the type of evaluations to be achieved in the different stages of the programme cycle – ex-ante evaluation, mid-term evaluation and ex-post evaluation – is ensured by the Regulation EC 1268/1999, Article 5 (1) and Regulation EC 1260/1999, Chapter III.

The actual modalities to achieve the mid-term evaluation are provided by the Multi-Annual Financing Agreement, Section B, Article 5 (5), Article 9 and Article 10, as follows:

“The Managing Authority shall organize, in cooperation with the Commission and Romania, the mentioned mid-term evaluation.

Mid-term and ex-post evaluation shall respond to common evaluation questions defined by the Commission in consultation with Romania and shall, as general rule, be accompanied by achievement related criteria and indicators. In addition, evaluations may be required to answer specific questions to the objectives of the Programme.

Romania shall ensure that a mid-term evaluation examines the initial results of the Programme, their consistency with the ex-ante appraisal, the relevance of the targets and to what extent they have been attained. It shall also assess the quality of monitoring and implementation.

The mid-term evaluation shall be carried under the responsibility of the Managing Authority in cooperation with the Commission and Romania. It shall be submitted to the Monitoring Committee and shall be sent to the Commission three years after the date of approval of the Programme but by 31 December 2003 at the latest.

The Commission shall consider the implications of the evaluation with a view to reviewing the Programme.

The mid-term evaluation shall, where appropriate, be up-dated and submitted to the Commission by 31 December 2005 at the latest.

The Managing Authority shall inform the Commission about the follow-up to the recommendations in the evaluation report, including any possible up-dates”.

In completion to the mentioned documents, the European Commission issued the “Guidelines for Evaluation of rural development programmes 2000-2006 supported from the European Agricultural Guidance and Guarantee Fund” ( Doc. DG AGRI VI/8865/1999) and the “Guidelines for the mid-term evaluation of rural development programmes 2000-2006 supported from the European Agricultural Guidance and Guarantee Fund” (Doc.STAR VI/ 43517/2002) which include:

- Definition, scope, concept and types of evaluation
- Setting up, organisation and implementation of evaluation strategy
- Methodology of evaluation
- Carrying out of the actual mid-term evaluation
- Common evaluation questions with criteria and indicators and Programme specific questions with criteria and indicators
- Evaluation Report structure
- Possible up-dating of the mid-term evaluation

The above mentioned papers as well as the “Guidelines for the mid-term evaluation of rural development programmes funded by SAPARD 2000-2006” (Doc. DG-AGRI 09/2002) should be considered as complementary to these ToR.

## **2. OBJECTIVES OF THE MID TERM EVALUATION**

The mid-term evaluation analyses the first outputs and results of Programme implementation from the point of view of efficiency, effectiveness and quality of implementation as well as the adequacy and consistency of objectives established in compliance with the programme of rural development.

The mid-term evaluation has the role to provide an overview on the Programme implementation, to contribute to the improvement of implementation and to facilitate the adoption of a decision concerning a possible re-orientation of the Programme.

The mid-term evaluation should start from the ex-ante evaluation of the SAPARD Programme contained in the NPARD which has the role to prepare the rural development programme and to ensure the correlation between the proposed strategy and objectives and the actual existing needs.

The main objectives of the mid-term evaluation are the following:

- To evaluate whether the implementation of the SAPARD Programme in Romania contributes to the achievement of the two major objectives defined in Article 1 ( 2) of the Regulation EC 1268/1999, namely:
  - implementation of community acquis pertaining to the Common Agricultural Policy and related policies;
  - solving of specific priority problems for a sustainable integrated rural development.
- To evaluate from the point of view of efficiency and effectiveness the intermediate results of assistance in connection with the two general objectives of the SAPARD Programme.
- To evaluate the efficiency and effectiveness of Programme implementation taking into account the objectives quantified at operational (outputs), specific (results) and general (impact) level.

- To evaluate the utility, relevance, coherence, efficiency, effectiveness and durability of outcomes in relation to the real needs of development of the agricultural sector and rural areas taking into account the present and future context.
- To analyse the adequacy of the strategy contained in the Programme and the consistency of its implementation taking into consideration the modifications occurred in the current situation against the moment the Programme was elaborated or the implementation started. To that end, it is necessary to analyse the foreseen evolutions of Programme implementation which can imply modifications of the strategy or of budgetary allocations among different measures.
- To analyse the results of the previous evaluation (for example: the validity of the analysis in relation to imbalances and gaps the Programme is designed to approach; the validity and relevance of objectives compared with the needs as well as the coherence between the objectives of the SAPARD assistance and the objectives of other forms of public intervention which can influence the Programme; the identification of new factors or other modifications which influence the needs, the strategy, the efficiency and effectiveness of Programme implementation).
- To evaluate the correlation between the Programme priorities and the proposed strategy and objectives and the compatibility between the general, specific and operational objectives in view of proper adjustment of the Programme.
- To assess the quantification of objectives and, particularly, to what extent it facilitates the Programme monitoring and evaluation.
- To evaluate to what extent the horizontal priorities – equal opportunities for men and women, the conservation of natural patrimony, the protection of environment – have been integrated in the forms of assistance provided by the Programme.
- To evaluate the quality of Programme implementation, mechanisms used to that end, the legal and administrative structure created for its implementation (the clear definition of responsibilities of authorities and institutions involved with Programme implementation and monitoring, the quality of the monitoring system, the quality and frequency of supply of information necessary for the monitoring system, procedures and criteria of project selection).
- To answer the common evaluation questions as set in Annex 1, as applicable, and to elaborate substantiated conclusions as regards: the overall effects of SAPARD on the implementation of CAP and on solving the priority and specific problems for the sustainable adaptation of agricultural sector and rural areas in Romania.
- To present the intermediate effective outputs (achieved investments, outcomes of the achieved investments compared with the values planned in the measures).

### **3. ASSUMPTIONS AND RISKS**

The evaluator shall be supported in the implementation of his tasks by the Managing Authority and the SAPARD Agency. All available information relevant to the evaluation shall be made accessible for the evaluator.

The successful completion of the project is subject to the following key assumptions:

- Sufficient level of cooperation with information sources outside the Managing Authority and the SAPARD Agency
- Good cooperation and support from social and economic partners

The major risks of the project can be attributed to the uniqueness of SAPARD. Needed statistical data may not be available or may not be presented in the appropriate manner (format) to allow the respective analyses. This issue must be addressed in the Inception Report at the project start up. This report must specify the data collection strategy and the analysis methodology to be followed.

## **4. SCOPE OF MID TERM EVALUATION**

### ***4.1 Geographic scope and time frame***

The mid-term evaluation should cover the period 2000 -2003 and all “geographic areas” eligible for support under the SAPARD Programme.

The evaluation should comprise:

- The analysis of the measures which implementation has started by 30 June 2003;
- The analysis of the measures which implementation has not started by 30 June 2003 but which are to be achieved in accordance with the requirements and guidelines provided for the ex-ante evaluation of the SAPARD Programme.
- The evaluation shall include an analysis and appropriate comparison with the results achieved from the implementation of the pilot project under SPP for the preparation of SAPARD implementation.

### ***4.2 Regulatory Scope***

The mid term evaluation has as object the whole implementation of the National Programme for Agriculture and Rural Development for 2000-2006 set up within the framework of Regulation (EC) 1268/1999. Although some of the measures in the Programme are not yet operational they must also be subject to evaluation in the context of the review of the ex-ante evaluation following the Commission’s guidelines for the ex-ante evaluation: “ The New Programming Period 2000-2006: the Ex-ante evaluation of the Structural Funds Interventions”).

### ***4.3 Activities specific to the mid term evaluation***

The evaluation process must include the following activities:

- Structuring – the set of common evaluation questions in Annex 1 clarifies the effects to be evaluated, defines the relevant criteria and indicators.

- Data collection – The contracting authority shall provide to the evaluator all available monitoring data as well as access to the necessary data from the SAPARD Agency. In case the above data are not sufficient to answer properly the evaluation questions or to quantify the evaluation indicators as set in the SAPARD operational measures, the evaluator must collect additional relevant data by appropriate means, including, where necessary studies or, sub-contracting with relevant information sources.
- Analysis – the evaluator must process and compare the data as well as assess the programme effects and quality of its implementation and monitoring.
- Judgement – the evaluator must draw substantiated conclusions based on the above analysis.
- Reporting - the evaluator shall prepare both the preliminary evaluation report and final evaluation report following the common structure described below.

#### **4.4 Obligatory elements of the Mid-Term Evaluation**

##### 4.4.1 ANALYSIS OF THE RESULTS OF THE EX-ANTE EVALUATION

In the first place, the mid-term evaluation should make an analysis of the results and conclusions of the ex-ante evaluation.

This analysis will answer the following questions:

- Whether the strategy concerning the support under the SAPARD Programme is adequate and consistent with the general objectives of NPARD and, if not, the needed changes.
- Whether the mechanisms for the implementation of the strategy are efficient
- Whether certain factors or conditions exist which can influence negatively the Programme implementation or its efficiency and effectiveness.
- Any other relevant information for the monitoring and evaluation of the Programme.

##### 4.4.2 The validity of SWOT analysis effected during the ex-ante Evaluation of the Programme

A key element of the mid-term evaluation is represented by the SWOT analysis having in view that it constitutes the base for the elaboration of the strategy contained in NPARD. Within the ex-ante evaluation this analysis was checked including the adequacy of identified opportunities and risks.

The mid-term evaluation must verify if this analysis is still valid.

During the mid-term evaluation the last evolutions and trends in the economic and social sector, particularly, in the agricultural sector and rural areas, should be analysed in view of identifying the changes occurred and their cause.



Also, both the priorities for the achievement of the general objectives in NPARD and their conformity with the identified opportunities and needs as well as the risk factors should be re-analysed.

The mid-term evaluation should consider the past and current public interventions, including programmes carried out by other organizations, in order to verify to what extent the Programme priorities correspond to the actual needs as they were identified by the SWOT analysis in the NPARD.

Within this section of the mid-term evaluation, the SWOT analysis and the contribution of the ex-ante evaluation should be re-viewed. The validity of the ex-ante analysis should be checked upon and, where appropriate, recommendations should be made for its updating.

This section of the mid-term evaluation should be relatively short, especially if no major changes of the initial conditions have taken place or no relevant information has been identified, both leading to a significant influence of the preliminary analysis.

In the end of this section of the mid-term evaluation the following should be presented:

- Evaluation of the validity as regards the priority of major problems which must be solved as well as the necessity to adopt certain changes in the conclusions of the analysis
- Evaluation of correlation between the strategic objectives and the identified problems
- Any other information or factors which facilitate the economic and social cohesion, protection of environment and equal opportunities for men and women.

#### 4.4.3 Evaluation of adequacy and consistency of the Development Strategy in NPARD

After the identification of the economic and social problems in relation to the major needs, the mid-term evaluation should carry out the analysis of the balance and appropriate combination between the priorities established in NPARD and the support measures provided by the SAPARD Programme.

To that end, the mid-term evaluation should verify the contribution of each specific priority objective to the achievement of the general objectives.

In the end of this section, a revised concept of the Programme should be presented, where appropriate. This can be determined either by the improper ex-ante evaluation and omission of its recommendations or by changes of the needs and major problems during Programme implementation which imply the re-evaluation of the consistency of the development strategy, measures and priorities.

The mid-term evaluation must furnish to the Managing Authority for the SAPARD Programme a clear justification of the validity and weight of each “measure” within the general objectives.

The mid-term evaluation should analyse the inter-connection between general, specific and operational objectives.

#### 4.4.4 The Quantification of Goals –Outputs, Results and Impact

The mid-term evaluation should consider the quantification of the operational objectives for each – “measure” -, taking into account that the achievement of the operational objectives contributes to the achievement of the general and specific objectives of the Programme.

The mid-term evaluation should examine the effectiveness of quantification of measures operational objectives.

The mid-term evaluation should include an analysis of the logic connection between the operational quantified objectives of the measures and the general and specific objectives of the programme in view of ensuring the economic and social cohesion.

Also, the mid-term evaluation should analyse the implementation indicators, the result and impact of each measure as well as the monitoring indicators and should propose their improvement and adaptation to the national context.

The common evaluation questions with associated criteria and indicators as proposed in the Commission evaluation guidelines for SAPARD and defined in Annex 1 of these Terms of Reference must be adapted to the context of this evaluation. It must be established whether all questions, criteria and indicators are relevant and how they will be applied in each case. If this is not the case, a justification of their non-applicability should be given.

The indicators must reflect the inter-dependence between the outcomes of the proper implementation of the measures in the Programme. Also, the mid-term evaluation must identify each indicator which is strongly influenced by external factors and propose improvement or replacement solutions.

To that effect, the mid-term evaluation should comprise:

- Analysis of indicators which quantify the objectives and the major identified imbalances
- Verification of indicators correlation with general, specific and operational objectives
- Evaluation of indicators in the context of monitoring of equal opportunities for men and women, environment protection and other horizontal measures
- Analysis of indicators applicability based on their capacity to furnish a precise image of the implementation, monitoring and evaluation of the Programme.

The mid-term evaluation must furnish information concerning the influence of the measures objectives on the provision of equal opportunities for men and women and environment protection.

#### 4.4.5 Evaluation of the effectiveness and efficiency of Programme Implementation- Evaluation of policy and distribution of resources

The mid-term evaluation has the role to formulate conclusions concerning the effectiveness and efficiency of Programme implementation taking into account the intermediate outputs and results and their impact.

Based on the formulated conclusions the mid-term evaluation should make a projection of the results. As base unit of the analysis should be used the operational measure which means that the analysis should answer the corresponding general and specific evaluation questions.

#### **Effectiveness- specific and operational objectives**

The mid-term evaluation should analyse the effectiveness of implementation starting from the monitoring indicators established in the Programme.

The analysis of the extent of specific and operational objectives achievement should be made as follows:

- Analysis of progresses registered in achieving the operational objectives should be based on the effective outputs of the Programme for each – “measure” – compared with the value of preliminary indicators established in the respective measure.
- Analysis of progresses in achieving the specific objectives should be based on the results pertaining to each priority axis established in the Programme.

Following the effected analysis, the mid-term evaluation should present the conclusions concerning the effectiveness of the Programme.

#### **Efficiency – inputs, compared with outputs and results**

The mid-term evaluation must analyse the efficiency of Programme implementation from the point of view of existing relation between relevant outputs and inputs needed for their production.

Firstly, the analysis should identify the average costs per unit (outputs compared with inputs). Information regarding costs per unit should be compared with regional, national and European values in the same category.

Evaluation of efficiency should be made also in regard to the “dead-weight” effects (modifications in the situation of beneficiary which would occurred even without public financing), “replacement” effect (effect obtained in a certain geographic area to the detriment of another one),

“leverage” ( the fact that public financing implies also beneficiary’s own expenditure).

## Impact-global objectives

When evaluating the effectiveness and the impact of the measures intended for rural development, the relevant common evaluation questions should be utilized together with the relevant criteria and indicators to establish the actual contribution (added value) of the SAPARD Programme in Romania.

The mid-term evaluation must present conclusions concerning the adequacy of the development strategy provided in NPARD and the distribution of financial resources among priorities so that to establish the impact of the Programme in relation to the identified needs. Conclusions should be based on the analysis of the effectiveness and efficiency in the achievement of Programme objectives. Conclusions regarding the inadequate weight of priorities or measures in the Programme should constitute the basis for recommendations concerning the changes needed in the structure of the financial support.

### 4.4.6. Quality of Programme implementation and organization of Monitoring

The impact of the policy is directly determined by the management and functioning capacity of the implementing bodies.

The mid-term evaluation must examine the quality and efficiency of implementation and management mechanisms taking into consideration that any weakness can influence the impact of financial assistance provided by the Programme.

The quality of Programme implementation and monitoring should be examined by:

- Evaluation of transparency and clear separation of responsibilities in the management and monitoring of Programme implementation
- Evaluation of promotion activities and of the extent the Programme is known by the implementation bodies
- Evaluation of control mechanisms based on the audit reports and irregularities ascertained
- Analysis of projects eligibility criteria in view of ensuring the quality of their implementation which should be reflected in the Programme objectives
- Verification of existence of transparent procedures and criteria for the selection of projects so that the achievement of Programme objectives and utilization of available financial resources should be efficiently ensured
- Evaluation of the manner in which the economic and social partners contribute to the quality of Programme implementation
- Evaluation of the extent of harmonization of the national legislation with the community acquis following the implementation of the SAPARD Programme
- Evaluation of the administrative system capacity to implement the Common Agricultural Policy

This analysis must be based where appropriate on the responses to the relevant cross-cutting evaluation questions as set in annex;

#### 4.4.7. Conclusions and recommendations

Each section of the mid-term evaluation should present conclusions as regards the weak points in the implementation of the SAPARD Programme in Romania and recommendations for its improvement.

Conclusions and recommendations should be included in the mid-term evaluation and should refer to the following aspects:

##### *Analysis of the ex-ante evaluation*

- Adequacy of the existing strategy and the necessity to complete or change it
- Effectiveness of instruments for the implementation of the Common Agricultural Policy
- Risk factors which influence the effectiveness and efficiency of implementation
- Relevant information concerning possibilities of evaluation and monitoring

##### *2. SWOT validity*

- Continuity of the validity of major imbalances and priorities which have to be overcome and/or the introduction of necessary changes
- Correlation between the objectives and identified needs
- Factors which facilitate the economic and social cohesion, environment protection and equal opportunities for men and women

##### *3. Evaluation of adequacy and consistency of the development strategy in NPARD*

- Continuity of the concept and global coordination of the strategy
- Justification of the share and weight of each priority axis
- Programme coherence – correspondence between Programme objectives, NPARD and the National Development Plan objectives, in view of ensuring the achievement of economic and social cohesion as well as the correspondence between national policies and priorities and the community ones
- Correspondence between operational, specific and general objectives

##### *4. Quantification of goals – outputs, results and impact*

- Adequacy of indicators used to quantify the objectives and imbalances
- Adequacy of indicators concerning the general, specific and operational objectives
- Adequacy of indicators which monitor the impact on the equal opportunities for men and women, environment protection and other horizontal measures
- Adequacy and timetable of data collecting procedures
- Applicability and utility of indicators used to obtain a correct and timely image of the efficiency of Programme implementation, monitoring and evaluation

*5. Evaluation of effectiveness and efficiency of Programme implementation*

- Results and progresses in achieving the objectives
- Financial share of each priority based on the first results obtained and the resulted impact compared with that foreseen and, in case of improper results, the needed changes
- Efficiency of outputs and results compared with the utilization of financial resources
- Effectiveness of horizontal measures implementation – equal opportunities for men and women, environment protection –
- Progresses registered in achieving the general, specific and operational objectives
- Correspondence between the foreseen impact and the effective impact of Programme implementation for each priority axis and measure
- Correspondence between the first results obtained and financial allocations for each priority and measure within the Programme
- Correspondence between allocated resources and obtained outputs and results

*6. Quality of implementation and monitoring organizing*

- Effectiveness and efficiency of Programme implementation and management
- Transparent and competitive procedures for project selection
- Actual accountability according to the requirements of the relevant national and community legislation
- Contribution of economic and social partners

4.4.8 Institutional impact

- Progress achieved in building the administrative capacity needed for the implementation of the acquis communautaire concerning the CAP as well as changes in the management and organization of relevant public policies in Romania.
- Assessing the degree to which the national legislation supporting the implementation of the programme is developed and harmonized with the acquis communautaire.

The analysis must be based where appropriate on the responses to the relevant cross-cutting evaluation questions as set in annex.

4.4.9 Structure of Mid-Term Evaluation Report

The mid-term evaluation Report must describe comprehensively the evaluated Programme, including its context and scope, procedures and results of evaluation as well as the conclusions and recommendations.

The structure of the mid-term evaluation Report to be presented to the European Commission ( Regulation EC 1750/1999) is the following:

*a) Executive summary*

The executive summary should contain the main results and conclusions of the mid-term evaluation. It is preferably that the executive summary should not exceed 5 pages.

*b) Introduction*

The introduction should present general and contextual information concerning the Programme : specific national policies, economic and social needs justifying the assistance, definition of beneficiaries or target groups. Also, the Introduction should furnish information on actions previously implemented. To that effect, should include key elements (updated) of their implementation - parties involved, institutional framework, period, general financial information, a short description of priorities and measures taken into account for evaluation.

At the same time, the Introduction should furnish information on the evaluation process: presentation of the Terms of Reference, scope and objectives of evaluation, common and Programme specific evaluation questions.

It should present a succinct description of previous evaluations relevant to the Programme.

*c) Methodological aspects*

In this section the logic of the methodological framework and its consequences should be presented. Also, it should be presented the general evaluation system and methods used during the evaluation process:

-data sources, data collecting methodology (questionnaires, interviews, size and criteria for samples ), information regarding the calculation mode for the evaluation of data quality and correctness and the identification of possible inaccuracies;

-methodology to answer the evaluation questions and for issuing the conclusions.

The Report should clarify any problem or limitations in relation to the application of this methodology.

*d) Presentation and analysis of collected information*

This section should be the more extensive part of the mid-term Evaluation Report and should present:

-primary and secondary data used to answer the Programme specific and common evaluation questions;

-information and analysis concerning the financial and administrative inputs used ( foreseen expenditure over the period of implementation of the Programme, expenditure effected until evaluation, efficiency of financial resources use, possible recommendations following previous recommendations). The evaluation should not limit itself at statements concerning the accomplishment of financial planning or forecasts;

-information regarding the implementation of measures and outputs achieved;

-answers to every common question (including secondary questions) and to Programme specific questions. These must include the analysis of appropriate

indicators in relation to the criteria and the target of respective questions. The indicators should be presented both for the common questions and for the specific ones and should cover the whole geographic area of the Programme. Answers should also include any quantitative and qualitative information resulting from studies, research or other sources.

*e) Conclusions and recommendations*

The mid-term evaluation should contain conclusions and actual recommendations concerning the modification of the Programme ( modification of priorities, re-allocation of resources) which should be applied by the institutions involved in the implementation and management of the Programme.

Answers to the evaluation questions duly reasoned on the basis of the evaluation work, to all the evaluation questions posed in the specifications as well as any other questions defined during the structuring phase of the evaluation. The conclusion part of each question must follow on directly from the analysis and include a reference to the judgement criterion.

*f) Annexes*

The annexes should contain detailed information in relation to the Terms of Reference, complete sets of data, analytical details, detailed monographs and the structure of questionnaires.

An additional but not compulsory section which can contribute to the evaluation credibility is that dedicated to opinions from the economic and social partners as regards the quality of achieved and presented evaluation.

#### 4.4.10 BIBLIOGRAPHY

In the preparation of the mid-term evaluation the following documents must be used:

- “Guidelines for the mid term evaluation of rural development programmes 2000-2006 supported from the European Agricultural Guidance and Guarantee Fund” ( DOC STAR VI/43517/2002)
- Guidelines for the mid-term evaluation of rural development Programmes funded by SAPARD 2000-2006”.

The following documents are recommended:

- “The National Programme for Agriculture and Rural Development” approved by the European Commission on 12 December 2000
- “The Multi-Annual Financing Agreement signed by the Commission of European Communities and the Government of Romania on 2 February 2001”
- “The evaluation of socio-economic programmes; indicators for the monitoring and the evaluation of programmes (MEANS, Vol.2). This work approaches methodological aspects referring to the definition of indicators and furnishes the list of indicators for the main fields of intervention of the Structural Funds.



- “Council Regulation (EC) No.1268/1999 of 21 June 1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period “
- “Commission Regulation (EC) No. 2759/1999 of 22 December 1999 laying down rules for the application of the Council Regulation (EC) No.1268/1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period”
- “Commission Regulation (EC) No. 2222/2000 laying down financial rules for the application of Council Regulation (EC) No.1268/1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period”.

#### **4.5 Project Management**

##### *Obligations of the Managing Authority in Romania*

- To ensure the necessary space on the whole duration the Evaluator is carrying out his/hers activity in relation to the mid-term evaluation and normal working conditions as well as the possibility to cooperate with the personnel from the Managing Authority
- To assist the Evaluator in the technical and logistic organization of the evaluation process
- To grant the necessary assistance to the experts from the evaluation team
- To ensure and to facilitate the access to available data and national legislation for the correct carrying out of evaluation
- To follow up the correct utilization of the funds for the carrying out of evaluation
- To submit the final mid-term evaluation Report to the European Commission after approval by the monitoring committee.

The Managing Authority should ensure the employment of a technical assistant (translator) as support to experts who shall have at least 3 years of experience in international projects in the field of agriculture.

##### *Obligations of the Evaluator*

- To provide all the materials and equipment needed to perform the evaluation.
- To ensure the financial and administrative management necessary for the carrying out of the mid-term evaluation
- To ensure the technical support to the evaluation team
- To organize the visits of Romanian and foreign experts in the country
- To ensure the correct utilization of the funds for the carrying out of the mid-term evaluation according to the contract signed with the Managing Authority in Romania

- To ensure the finalisation, in the time and conditions provided, of the preliminary and final mid-term evaluation Report (on paper and on disk, in Romanian and English)
- To submit to the Managing Authority detailed Reports on activities deployed to that effect
- To report to the Managing Authority on the activities deployed and eventual obstacles met in view of adoption of operative remedy measures
- To submit to the Managing Authority, preliminary and mid-term evaluation Reports.

## **5. LOGISTICS AND TIMING**

### ***5.1 Project Location: Romania***

### ***5.2 Project duration 9 months.***

## **6. REPORTING**

### ***6.1 Inception Report***

An Inception Report shall be submitted to the Managing Authority for approval and discussion within 30 days after the contract start-up. The Inception Report will analyse the data availability situation and will present the data collection and analysis methodology.

The contractor should carry out a need analysis and prepare the technical specifications together with the beneficiary of the equipment necessary to be supplied.

### ***6.2 Activity Reports***

The Evaluator shall present to the Managing Authority two interim activity reports. These reports shall describe the undertaken activities, results achieved and problems faced in the collection of reliable data so that due measures can be adopted to solve the problems. The reports shall also contain detailed information on the organized meetings, visits and trips.

The first interim activity report shall be presented to the Managing Authority at the end of June 2003 and the second one at the end of September 2003 respectively. The reports shall be presented in 4 hard copies each – 2 in Romanian and 2 in English- and 2 copies on disk – 1 in Romanian and 1 in English.

### ***6.3 Mid- Term Evaluation Report***

The Report on the Mid-Term Evaluation of the SAPARD Programme implementation in Romania should be submitted by the Evaluator to the Managing Authority at the end of October 2003 so that enough time should be allocated for

consideration and approval by the Monitoring Committee and possible adjustment or completion of the Report.

The Report should be presented in 6 hard copies – 3 copies in English and 3 copies in Romania and on disk in 4 copies – 2 in English and 2 in Romania.

## **7. REQUIREMENTS**

### ***7.1 Independence of the Evaluator***

The evaluation shall be carried out by an independent contractor (experts) in the sense of no direct involvement in the management, implementation and financing of the Programme, or in the setting up of these Terms of Reference.

The evaluator and any member of the evaluation team must not accept any commission, discount, allowance, indirect payment or other consideration in connection with or in relation to or in discharge of its obligation under the project.

### ***7.2 Profile of International experts***

#### ***A. Project Team Leader***

The expert should have at least 10 years experience in project management of study and/or technical assistance projects. He/she must have at least 5 years in the implementation of evaluations of Structural Funds programmes in the EU Member States, in the field of agriculture and rural development. The expert shall have adequate knowledge of the EU pre-accession instruments for the countries in East and Central Europe and of the socio-economic situation in the rural areas of Romania.

The expert shall have high proficiency in the English language and have adequate professional experience in the field of SAPARD measures.

#### ***B. Environment Impact Assessment expert***

The expert shall have at least 8 years experience in the implementation of Environment Impact Assessments (EIA) of rural development plans in the EU Member States. The expert should preferably have experience in the EIA of Structural Funds programmes in the EU and knowledge of the EU pre-accession instruments and of the socio-economic situation in their rural regions. The expert shall have high proficiency in the English language.

### ***7.3 Profile of Romanian experts***

#### ***A. Assistant Project Team Leader***

The coordinator shall have at least 5 years experience in the analysis and evaluation of rural development in Romania and in the management of assistance projects in this field. The coordinator shall also have adequate knowledge of the EU rural development policies and Structural Funds. The coordinator shall also have adequate knowledge of Romania's Programme for Agriculture and Rural Development 2000-2006. The expert shall have high proficiency in the English language.

B. Expert in the Evaluation of Rural Development programmes

The expert shall have at least 5 years experience in the analysis and evaluation of rural development in Romania and shall have adequate knowledge of Structural Funds programmes and rural development policies in the EU as well as of the EU pre-accession instruments for East and Central Europe.

The expert shall have adequate knowledge of Romania's Programme for Agriculture and Rural Development 2000-2006. The expert shall have high proficiency in the English language.

C. Agrarian/Rural development economist

The expert shall have at least 5 years of professional experience and adequate knowledge of agricultural and rural economy of Romania.

He/she shall have adequate knowledge of EU agricultural and rural development policies and of pre-accession instruments. The expert shall have good proficiency in the English language.

## **8. EVALUATION QUALITY CRITERIA**

The assessment of the evaluation report shall be based on the ability of the evaluator to meet the requirements for evaluation report contents and evaluation process set in the Commission guidelines: "SAPARD guidelines for the evaluation of Rural Development Programmes supported by SAPARD" and "Guidelines for the mid-term evaluation of rural development programmes funded by SAPARD".

The quality of the evaluation shall depend on the ability of the evaluator to provide credible feedback from final beneficiaries (including those under the Pilot project financed by SPP), regional directorates and internal audit unit of the SAPARD Agency, professional associations and non governmental organizations, local authorities and development agencies.

The following criteria for assessing its quality should be applied based on the Guidelines of the European Commission (MEANS, Vol.1, page 179):

*-Meeting the needs:* Does the evaluation correspond to information needs and to the Terms of Reference requirements?

*-Relevant scope:* Have been examined fully the principles and actions within the Programme, the outputs, results and their impact including the inter-action between them as well as the consequences of the policies established or unpredicted?

*-Defensible design:* Is the approach of evaluation adequate and appropriate so that the entire set of information including methodological limitations could answer the evaluation questions?

*-Reliable data:* To what extent the collected or selected primary and secondary data are appropriate and offer a high degree of reliability?

*-Sound analysis:* Have the quantitative and qualitative information been studied properly and systematically so that correct answers should be provided to the evaluation questions?

*-Credible results:* Are the results logical and justified by the analysis based on data collection and are they properly presented?

*-Impartial conclusions:* Are the recommendations correct, uninfluenced by opinions from personnel or shareholders and are they sufficiently detailed to be operational?

*-Clear Report:* Is the Report describing clearly the evaluated Programme including its framework and scope together with the procedures and results of evaluation so that the information can be easily understood?

## **9. CRITERIA FOR CONTRACT AWARDING**

In the process of tender selection the following criteria should be considered:

- compliance with the instructions given in the tender dossier
- eligibility of tenderers as laid down in section 2 “Eligibility for contracts”;
- financial and economic standing of tenderers;
- skills in terms of methodology (clarity and logic of methodology, speed in elaborating the evaluation report ;
- technical and professional capacities of tenderers and their staff;
- experience in the field of agriculture and rural development;
- competence regarding evaluation practice.

The comparison of tenders should be performed on the basis of the above award criteria using price and the technical criteria enabling the most economically advantageous tender to be identified.

The most advantageous tender should be established by weighing the technical quality against price on a 60/40 basis ( out of a maximum 100 points). The evaluation of technical offers should be made on the basis of the evaluation grid i.e 60 points for organization and methodology and 40 points for experience of key international experts ( out of a maximum 100 points).Tenders falling short of the 60-points threshold will be automatically rejected.

The resulting technical and financial scores should be added and the contract should be awarded to the tender that achieves the highest score.

Tenders should be opened and evaluated by the Committee for the Coordination of the Mid-Term Evaluation of the SAPARD Programme, established to that effect by the Managing Authority.

First the envelopes containing the technical offers of tenders should be opened.

Before opening of tenders the chairperson of the Committee checks that the members are familiar with the technical evaluation grid set out in the tender dossier to make sure that tenders are evaluated in a consistent manner.

Upon completion of the technical evaluation, the envelopes containing the financial offers of tenders that were not eliminated during the technical evaluation are opened and signed by the Committee.

Financial offers exceeding the maximum budget allocated for the contract are rejected.

The offers are awarded points according to the following formula:

Points= lowest financial offer/financial offer to be evaluated x 100.

Minutes should be taken at the tender opening sessions that should be signed by all the members of the Committee.

The Minutes should state:

- date, time and place of the session;
- members present;
- names of tenderers who submitted the tenders within the stipulated deadline;
- whether tenders submitted used the double-envelope system according to instructions in the tender dossier;
- whether originals of the tenders were duly signed and the technical offers were sent in the number of copies requested;
- names of any tenderers whose tenders were found to be non-compliant at the opening session;
- names of any tenderers who withdrew their tenders.

## 10. COMMON EVALUATION QUESTIONS

### CHAPTER A: MEASURE SPECIFIC QUESTIONS

#### *Measure 1.1. Processing and marketing of agricultural and fishery products*

Questions	Criteria	Indicators
<p>1. To what extent have the supported investments contributed to the increase of the added value of agricultural products and of the revenues in the sector by the improvement and rationalisation of wholesale collecting and marketing networks and of products processing?</p>	<p>A. Rational procedures and better use of production and market factors in assisted processing and marketing lines</p>	<p>1. Capacity utilization in assisted processing and marketing lines (ratio);                      2. Added value in assisted processing and marketing lines (%);                      3. Processing/marketing costs per unit of basic product thanks to assistance (%).                      4. Gross income in assisted processing and marketing lines in euro</p>
	<p>B. Created or improved wholesale collection and market access for products of beneficiary plants</p>	<p>Share of gross sales of processed products that are sold on international markets thanks to the assistance (%) of which:                      a) to the European Union ;                      b) to other CEEC countries ;                      c) to other OECD and non-[EU / CEEC] countries</p>
<p>2. To what extent have the supported investments contributed to the improvement of quality control to ensure quality products?</p>	<p>A. Quality control improved                       B. The intrinsic quality of processed/ marketed agricultural products improved</p>	<p>1. Share of assisted plants with constructed/refurbished quality control laboratories and facilities thanks to the assistance (%)                      2. Share of agricultural basic products contained in processed/ marketed products with improved intrinsic quality from assisted processing/marketing lines (%):                      a) of which subject to automated quality monitoring thanks to assistance (%);                      b) of which complying with EU quality standards (%);                      c) of which with a quality label (%);</p>

3. To what extent have the supported investments contributed to the improvement of sanitary, health and welfare conditions in compliance with EU standards?	A. Health and sanitary concerns are appropriately integrated into the Programme	Share of assisted investments in processing and marketing related to health and sanitary conditions (%): a) of which aiming to improve the nutritive and hygiene quality of products for human consumption (%); b) of which aiming to improve work place safety and hygiene requirements (%);
	B. Animal health and welfare conditions comply with EU standards	Share of assisted plants complying with EU health requirements (%);
	C. Human safety and hygiene conditions at the work place have improved	1. Safety and hygiene conditions related to assistance (description, e.g. frequency of reported incidents); 2. Share of assisted plants complying with EU safety and hygiene requirements (%);
4. To what extent have the supported investments contributed to the improvement of waste water and residual products management and protection of the environment?	A. Waste and residual products management has improved	1. Waste and residual products collected/treated thanks to the assisted actions (% of waste in assisted processing plants); 2. Share of assisted plants with constructed/refurbished water purification stations and residual collection/treatment installations thanks to assistance (%).
5. To what extent have the supported investments contributed to the improvement of the competitiveness, presentation and conditioning of agricultural and fishery products to compete on the single market?	A. A substantial part of the processing plants in the sectors involved is able to compete on the single market	Number of EU approved processing plants as a result of the assistance, as a share of the overall sector (%): a) of which assisted plants (%)
6. To what extent have the supported investments contributed to the increase of job opportunities in rural areas?	A. Job opportunities have increased	Number of jobs in assisted plants thanks to the assistance, of which: a) maintained jobs b) new jobs
7. To what extent have the supported investments contributed to stimulate environmentally friendly methods of production and setting up of "green markets" aiming at orienting of consumers towards organic agricultural products?	A. Environmentally friendly methods of production and setting up of "green markets" have been stimulated	Share of agricultural basic products contained in processed/marketed products from the assisted processing/marketing lines: a) of which obtained by organic production methods (%) b) of which with organic label (%)



**Measure 1.2 Improving the structures for quality, veterinary and plant health controls, foodstuff quality and consumer protection**

Questions	Criteria	Indicators
1. To what extent have the supported investments contributed to improve the quality of foodstuffs and the consumer protection in compliance with the EU standards?	A. The structures for quality of foodstuffs, sanitary veterinary and plant health control have improved	Share of new or improved food quality, veterinary and plant health structures ( %) a) of which in the sanitary veterinary sector (%) b) of which in the plant health sector (%) c) of which in the food quality control sector (%)
	B. Increase in the application of quality, veterinary and plant health standards in the sectors involved	Ratio of average annual number of analysis performed to average annual number of analysis performed prior to assistance a) of which in the sanitary veterinary sector (%) b) of which in the plant health sector (%) c) of which in the food quality control sector (%)
	C. EU standards are systematically used as reference for quality, sanitary veterinary and plant health control	Share of laboratories using EU standards as a reference (%) a) of which assisted laboratories (%)
2. To what extent have the supported investments contributed to improve hygiene conditions in compliance with the EU standards	A. EU hygiene requirements are integrated appropriately into the Programme	Share of supported investments complying with EU hygiene standards (%)
	B. Human safety and hygiene conditions at the working place have improved	Trend in safety and hygiene conditions related to assistance

Due to the late start of measure implementation the evaluator will have to answer the questions if there have been completed projects under measure by the end of the 2<sup>nd</sup> quarter of 2003.

**Measure 2.1 Development and improvement of rural infrastructure**

Question	Criteria	Indicators
1. To what extent have the supported investments responded to the priority needs of the rural areas?	A. The investments made respond to the priority needs identified during the ex-ante evaluation/programming period	Identified priority needs addressed by the intervention (description).
2. To what extent have the supported investments contributed to the improvement of beneficiaries access to the public network of village, county , national roads and railways ?	A.The supported investments have improved the access of beneficiaries to public roads and railways  B.Remoteness alleviated	Average reduction of transportation time to/from beneficiary areas from/to nearest capital regional cities (%) (emphasis should be made on areas where SAPARD is the main assistance fund for rural development (>50% of public assistance received for improvement of rural infrastructure).  Transport/journeys facilitated or avoided due to assisted actions (description and kilometers and/or hours avoided per year).
3.To what extent have the supported investments helped to improving the hygiene and sanitary conditions of beneficiaries?	A. Housing and sanitary improved due to assistance	Share of rural population having access to improved sewage/drinking water/waste disposal services thanks to assistance (%).
	B. Waste treatment improved thanks to assistance	Share of solid/liquid waste treated thanks to assistance (%).

**Measure 2.2 Management of water resources**

Questions	Criteria	Indicators
1. To what extent have the supported investments contributed to the rehabilitation and upgrading of existing irrigation systems and the better management of water resources for agriculture?	A. Infrastructure for irrigation has been rehabilitated and upgraded	1. Share of the overall irrigation system (channels, dams, equipment) developed/created/improved thanks to assistance (%); 2. Reduction in water losses due to assistance (%): a) of which due to material improvements in the irrigation network (%); b) of which due to improvements in the organization of irrigation (%).
	B. Access to agricultural water resources has been improved	1. Ratio {number of holdings having access to water management structures before assistance} to {number of holdings having access to water management structures thanks to assistance}; 2. Irrigated area before and after assistance (ha): a) of which thanks to assistance (%).
	C. Capacity utilization of existing systems has been increased	Ratio {capacity utilization of the irrigation system before assistance} to {capacity utilization of the irrigation system after assistance}.
2. To what extent have the existing drainage systems been rehabilitated and modernised and agricultural land been protected against water erosion and flooding thanks to the assisted investments?	A. Protection from flooding and water erosion improved	1. Dykes and dams constructed/renovated thanks to the assistance as a share of the overall number (%); 2. Area protected from flooding thanks to assistance (ha); 3. Area protected from erosion thanks to assistance (ha, and description of measures taken);
	B. Draining of agricultural areas improved	Area drained by assisted constructed or rehabilitated drainage systems (ha).
3. To what extent have the supported investments contributed to protect and preserve the environment of the beneficiary areas?	A. The assisted measures have ensured the protection of the environment	Measures taken to protect the environment during the amelioration works (description, e.g. protection of afforested areas, protection of hedges, prevention of flood risks, appropriate design of banks, integration of structures into the natural landscape, preservation of water supplies for wildlife and control of instream flow requirements).
	B. The environment is protected during the exploitation of the assisted infrastructure	Measures taken to protect the environment during the exploitation of assisted infrastructure (description, e.g. appropriate upkeep of infrastructure in order to prevent environmental damage, appropriate design of the irrigation network in order to prevent salinization and other hazards, control of run-off from irrigated areas...)

Due to the late start of measure implementation the evaluator will have to answer the questions if there have been completed projects under measure by the end of the 2<sup>nd</sup> quarter of 2003

**Measure 3.1 Investments in agricultural holdings**

Questions	Criteria	Indicators
1. To what extent have the supported investments contributed to improve the income of beneficiary farmers?	The income of beneficiary farmers has improved	“Gross farm income” of assisted holdings in euro.
2. To what extent have the supported investments contributed to increase productivity in agricultural holdings?	Increase in factor productivity	<ol style="list-style-type: none"> <li>1. Output per hectare on assisted holdings;</li> <li>2. Output per hour of labor on assisted holdings;</li> <li>3. Cost (direct inputs) per unit of basic products sold on assisted holdings.</li> </ol>
3. To what extent have the supported investments improved production conditions through farm assets rehabilitation and endowment with new machinery and/or animals with a high genetic quality?	Production conditions have improved	Share of assisted holdings applying improvements akin to EU standards (%)
4. To what extent have the supported investments improved animal welfare in compliance with EU standards?	Animal welfare has improved	<ol style="list-style-type: none"> <li>1) Share of assisted holdings meeting EU animal welfare standards (%);</li> <li>2) Share of animals housed in accommodation that meets EU standards on assisted holdings (%).</li> </ol>
5. To what extent have the supported investments contributed to the land consolidation and the creation of viable market-oriented farms?	Structure of agricultural holdings has been improved	Share of assisted holdings supplying their products to the market thanks to the assistance (%)
6. To what extent have the supported investments helped the restructuring of the work force involved?	Structure of work force has improved	Number of employees in assisted holdings: <ol style="list-style-type: none"> <li>a) of which young (under 40 years old)</li> <li>b) of which women</li> </ol>

8. To what extent have the supported investments promoted organic methods of production and protection of the environment?	A. Integration of environmental concerns into farm investments;	Share of beneficiary holdings introducing environmental improvements thanks to the co-financing (%): a) of which with the environmental improvement as the direct aim of the investments (%); b) of which as a collateral effect (e.g. due to new equipment acquired mainly for economic purposes (%); c) of which relating to waste and excess manure (%); d) of which relating to on-farm water management (%); e) of which relating to organic farming practices/ systems (%).
	B. Improved storage and land spreading of farm manure	1. Share of assisted holdings improving storage/land spreading of farm manure (%); a) of which co-financed from the assistance (%); b) of which storage (%); c) of which land spreading (%); 2. Share of assisted holdings meeting EU standards concerning farm manure (%)

Due to the late start of measure implementation the evaluator will have to answer the questions if there have been completed projects under measure by the end of the 2<sup>nd</sup> quarter of 2003

**Measure 3.2 Setting up producers groups**

Question	Criteria	Indicators
1. To what extent has the setting up of producer groups helped to improve the income of their members?	The income of the members of the producer groups has increased	Ratio {variation of income of group members during programming period} to {variation in income of all farmers during programming period}
2. To what extent has the setting up of producer groups helped to improve the inputs supply, the marketing and/or packaging of agricultural and fishery products, to increase their quality (by complying with EU standards) and to prepare the implementation of CMO in the beneficiary sectors?	A. Lower costs in assisted lines	Average change in marketing/packaging costs per unit of basic product per member of the group;
	B. Marketing channels improved or created	1. Average change in marketing costs per unit of basic products per member of the group; 2. Number and description of stable links / contracts created between basic producers and processing plants through producer groups.
	C. The producer groups have encouraged and facilitated the adoption of EU quality standards by their members	Share of producer groups applying / promoting EU quality standards among their members (%).
3. To what extent has the setting up of producer groups helped to involve young farmers?	The producer groups stimulated young farmers to get involved	Share of young farmers in the producer groups (%)

Due to the late start of measure implementation the evaluator will have to answer the questions if there have been completed projects under measure by the end of the 2<sup>nd</sup> quarter of 2003.

**Measure 3.3 Agricultural production methods designed to protect the environment and maintain the countryside**

Question	Criteria	Indicators
1. To what extent have the supported actions contributed to protect natural resources in beneficiary areas?	Natural resources have been protected	1. Number and description of actions carried out: <ul style="list-style-type: none"> <li>a) of which linked to the development of organic farming (%);</li> <li>b) of which linked to soil quality and protection (%);</li> <li>c) of which linked to protection of wildlife and biodiversity (%);</li> <li>d) of which linked to water quality and protection against pollution</li> </ul> 2. Area covered by supported measures (ha): <ul style="list-style-type: none"> <li>a) of which linked to the development of organic farming (%);</li> <li>b) of which linked to soil quality and protection (%);</li> <li>c) of which linked to protection of wildlife and biodiversity (%);</li> <li>d) of which linked to water quality and protection against pollution</li> </ul>
2. To what extent have the supported actions contributed to develop practical experience of agri-environment implementation at farm level?	A. Awareness of environmental issues increased among farmers	Share of farmers participating in assisted activities related to agri-environmental measures (%);
	B. Beneficiary farmers acquainted with agrienvironmental objectives and techniques	Share of assisted farmers implementing agri-environmental measures after assistance (%)
3. To what extent have the supported actions contributed to develop practical experience of agri-environment implementation at administration level?	Environmental issues integrated into rural development policies at national level	1. Description of new agri-environmental services set up by the administration for the assistance of farms; 2. Description of new environmental requirements for rural development activities at national/regional level adopted in accordance with EU standards.

Due to the late start of measure implementation the evaluator will have to answer the questions if there have been completed projects under measure by the end of the 2<sup>nd</sup> quarter of 2003.

**Measure 3.4 Development and diversification of economic activities, multiple activities, alternative incomes**

Question	Criteria	Indicators
1. To what extent have the development and diversification of on-farm and/or off-farm activities contributed to increase the income and the standard of living of the beneficiary rural population?	Alternative sources of income have been developed thanks to assistance	Share of income of beneficiaries coming from non-agricultural activities (%): a) of which coming from tourist activities (%); b) of which coming from craftsmanship activities (%); c) of which coming from the sale of local and traditional products (%); d) of which coming from other non-agricultural activities (%) (e.g. provision of services, folklore activities...);
2. To what extent have the development and diversification of on-farm and/or off-farm activities helped to create new employment opportunities?	Jobs created or maintained in non-farming activities thanks to the assistance	Number of jobs created or maintained in assisted enterprises two years after the end of the assistance (FTE): a) of which in the tourist sector (%); b) of which in the crafts sector (%); c) of which related to local and traditional products (%); d) of which linked to other non-agricultural activities (%);
3. To what extent have the development and diversification of on-farm and/or off-farm activities helped to preserve and promote traditional handicraft production and the aqua-cultura, bee-keeping, sericulture, mushrooms cultivation?	A. Traditional activities improved and developed  B. Local enterprises created or revitalized thanks to the assistance	Number of enterprises created or revitalized thanks to the assistance: a) of which in handicraft production (%) b) of which in aqua-culture (%) c) of which in bee-keeping (%) d) of which in sericulture (%) e) of which in mushrooms cultivation (%)
4. To what extent have the development and diversification of on-farm and/or off-farm activities helped to promote activities specific to rural tourism?	Local tourism activities sustained and developed thanks to the assistance	Number of enterprises created or revitalized thanks to the assistance: a) of which in-farm tourism activities (%)



<p>5.To what extent have the development and diversification of on-farm and/or off-farm activities contributed to sustain agricultural operation through accomplishment of specific services?</p>	<p>Agricultural operation maintained and developed</p>	<p>Number of assisted enterprises, newly created or revitalized providing services to agricultural holdings:  a) of which supplying inputs for production (%)  b) of which marketing the agricultural products (%)  c) of which providing other services</p>
<p>6.To what extent have the development and diversification of on-farm and/or off-farm activities helped to integrate the youth and women?</p>	<p>Youth and women have been integrated in rural activities</p>	<p>Number of jobs created or maintained in assisted enterprises two years after the end of the assistance (FTE):  a) of which for youth  b) of which for women</p>

Due to the late start of measure implementation the evaluator will have to answer the questions if there have been completed projects under measure by the end of the 2<sup>nd</sup> quarter of 2003.

**Measure 3.5 Forestry**

Question	Criteria	Indicators
1. To what extent have the forestry measures contributed to increase the wooded area and the economic efficiency and quality of wood production?	A. Increase of wooded area on previous agricultural and non-agricultural land	Area of assisted plantings (ha).
	B. Abandoned land reduced thanks to afforestation	Share of abandoned land afforested thanks to assistance (%).
	C. Anticipated increase in volume of growing stock thanks to planting of new woodland and improvement of existing forests	Anticipated additional average annual increment thanks to assistance (m <sup>3</sup> /ha/year): a) of which in new plantings (% and ha concerned); b) of which due to improvement in existing woodlands (% and ha concerned).
	D. Anticipated improvement in quality (assortment, diameter, ...) and structure of growing stock thanks to forest improvement	Trend in structure/quality parameters (description, e.g. including hardwood/softwood, diameter evolution, straightness, knots...).
2. To what extent have the forestry measures contributed to the environment amelioration, diminishing of drought effects and limiting desertification?	Drought and desertification effects reduced	Share of deserted area limitation thanks to the assistance (%)
3. To what extent have the forestry measures contributed to increase the added value of forestry products and of the income of forests owners?	A. More rational production of forest products or services	1. Short/medium term change in annual costs for silviculture, harvesting and transport/collection, stocking operations thanks to the assistance (euro/m <sup>3</sup> ); 2. Share of holdings being connected to associations of forest holders or similar organizations thanks to assistance (%).

	B. Development of forestry related activities and services	<ol style="list-style-type: none"> <li>1. Additional assisted outlets, in particular for products of small dimension/low quality (m<sup>3</sup>);</li> <li>2. Additional activities set up in forests (description, e.g. tourist activities, etc.);</li> </ol>
	C. Development of wood production and creation of new job opportunities	<ol style="list-style-type: none"> <li>1. Volume in short/medium term supply of basic forest products for small scale local processing (m<sup>3</sup>/year);</li> <li>2. Employment in the short/medium term outside holdings (logging, initial processing and marketing, and further local small scale processing and marketing) directly or indirectly depending on assisted actions (FTE/year).</li> </ol>
	D. Income maintained or increased in rural areas	<p>Income in the short/medium term due to assisted activities (Euro/year, number of beneficiaries):</p> <ol style="list-style-type: none"> <li>a) of which additional sustainable income on holdings (% and ha);</li> <li>b) of which due to knock-on activities or assisted off-farm activities.</li> </ol>
4. To what extent have the forestry measures contributed to the protection of agricultural crops, rural infrastructure and other economic objectives in rural areas?	Appropriate protection actions undertaken	<p>Area planted/managed with a view to protective functions (ha):</p> <ol style="list-style-type: none"> <li>a) of which agricultural land (%);</li> <li>b) of which water bodies (%);</li> <li>c) of which villages, tourist facilities (%), plus type and magnitude of interest – e.g. expressed approximately as a number of inhabitants, nightbeds, etc.</li> </ol>
5. To what extent have the forestry measures stimulated the setting up of professional associations?	Professional associations created	Number of professional associations created thanks to the assistance

Due to the late start of measure implementation the evaluator will have to answer the questions if there have been completed projects under measure by the end of the 2<sup>nd</sup> quarter of 2003.

**Measure 4.1 Improvement of the vocational training**

Question	Criteria	Indicators
<p>1. To what extent are the assisted training courses in accordance with needs and coherent with other measures of the Programme?</p>	<p>The training responds to the needs and potential for adaptation (conversion, re-orientation, improvement)</p>	<p>1. Share of assisted training actions addressing issues identified as gaps/weaknesses or potential/opportunities during programming/ex-ante evaluation (%):</p> <ul style="list-style-type: none"> <li>a) of which because of the type/mix of participants (%) (e.g. young people, women...;</li> <li>b) of which because of the topic/contents of the courses (%);</li> <li>c) of which related to co-financed actions of other measures of the programme(%);</li> <li>d) of which complementary to training actions co-financed by other pre-accession programmes (%).</li> </ul> <p>2. Share of assisted training actions relating to the adaptation of the aquis communautaire (%)</p>
<p>2. To what extent have the acquired skills/competence helped to improve the situation of the trainees and of the agricultural/forestry/fishing sector ?</p>	<p>A. The skills/competence acquired by the trainees help improve their employment conditions</p>	<p>Share of assisted trainees (both holders and employees) experiencing job improvements related to the training (%):</p> <ul style="list-style-type: none"> <li>a) of which farm/forest holders/ship owners (%);</li> <li>b) of which employees (%);</li> <li>c) of which thanks to better remuneration (%);</li> <li>d) of which thanks to non-pecuniary job quality (e.g. seasonal/contractual work security, exposure to risk and adverse conditions, job variation/enrichment...) (%);</li> <li>e) of which women(%).</li> </ul>

	<p>B. The skills/competence acquired by the trainees facilitate the adaptation of agriculture, forestry and fishing</p>	<p>Share of holdings with an assisted trainee, initiating conversion/re-orientation/improvement related to the assisted training (%)</p> <p>a) of which new/additional activities (%);</p> <p>b) of which improved quality/hygiene/added value concerning existing activities (%);</p> <p>c) of which management related(%);</p> <p>d) of which environmentally benign methods/practices (%);</p> <p>e) of which farming (%);</p> <p>f) of which forestry (%);</p> <p>g) of which fishing (%).</p>
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Due to the late start of measure implementation the evaluator will have to answer the questions if there have been completed projects under measure by the end of the 2<sup>nd</sup> quarter of 2003.

**Measure 4.2 Technical Assistance**

Question	Criteria	Indicators
1. To what extent have the technical assistance measures facilitated the implementation of the programme actions?	Beneficiaries assisted in the preparation/implementation of projects	Share of beneficiaries from other measures having received technical assistance (%): a) of which for each of the measures (%); b) of which women (%);
2. To what extent have the technical assistance measures increased the acquaintance of the rural populations and authorities involved with EU procedures, rules and principles, notably those regarding SAPARD?	A. Rural populations acquainted with EU policy for rural development, notably SAPARD	1. Ratio {Number of farmers participating in assisted information/awareness raising activities} to {overall population of farmers}; 2. Trend in the distribution/attendance of information instruments (e.g. brochures, conferences, training courses, ...); 3. Share of technical assistance activities dealing specifically with acquis – related issues (%, e.g. EU standards on sanitary requirements, food quality, hygiene conditions at the work place, etc.).
	B. National/regional/local authorities acquainted with EU policy for rural development, notably SAPARD	Share of officials at all levels dealing with rural development issues, having participated in technical assistance (%) a) of which in activities dealing specifically with acquis – related issues (%);

CHAPTER B. CROSS-CUTTING QUESTIONS

<b>B.I. Concerning the objective: to contribute to the implementation of the acquis communautaire concerning the CAP</b>		
<b>Questions</b>	<b>Criteria</b>	<b>Indicators</b>
1. To what extent has the Programme been conducive to adjust the agricultural sector and the rural economy to Community standards and to prepare them for the implementation of the acquis communautaire?	A. Beneficiary sectors are more adapted to EU standards:	
	- as regards environment protection;	Share of holdings/processing plants/enterprises in the agricultural/fishing sector or rural areas applying EU environmental standards on a regular basis (%): - of which assisted holdings/processing plants/enterprises (%).  [also use other evidence including information from existing common indicators]
	- as regards human food quality and consumer protection;	Share of agricultural/fishing production complying with EU standards for human food quality and consumer protection (%): - of which coming assisted holdings/processing plants/enterprises (%).  [also use other evidence including information from existing common indicators]
	- as regards animal health and welfare;	Share of holdings/processing plants/enterprises in the agricultural/fishing sector or rural areas complying with EU standards for animal health and welfare (%): - of which assisted holdings/processing plants/enterprises (%).  [also use other evidence including information from existing common indicators]
	- as regards safety and hygiene conditions at the work place;	Share of holdings/processing plants/enterprises in the agricultural/fishing sector or rural areas complying with EU standards in the filed of safety and hygiene conditions at the work place (%): - of which assisted holdings/processing plants/enterprises (%).  [also use other evidence including information from existing common indicators]
	- as regards fishing standards and regulations.	Change in share of fishing enterprises complying with EU fishing standards and regulations (%): - of which assisted fishing enterprises (%).  [also use other evidence including information from existing common indicators]

	B. Increased awareness of private operators about EU rules and procedures for agricultural/fishing production.	Share of rural population (households, holdings, farmers,...) directly or indirectly reached by information or awareness raising campaigns funded by the Programme (%): - of which on issues linked to accession (%).  [also use other evidence including information from existing common indicators]
2. To what extent has the Programme contributed to establish and improve the implementation of CAP objectives and procedures at the administration's level?	A. New legislation in the fields of action of the Programme integrates CAP objectives and principles.	New legislation developed during the implementation in the field of rural development integrating CAP objectives and principles (description and links to the Romanian NPARD).
	B. Administration is acquainted with EU standards, rules and procedures.	Share of officials working in the field of rural development acquainted with EU standards and procedures (%).
	C. Established or improved organisational structures for the implementation of national/regional rural development and agricultural policies	Description of new national administrative structures for the management of rural development policies and influence of SAPARD management structures
	D. Strategic planning for the preparation and implementation of national/regional rural development measures established or improved	1. Description and number of new national rural development measures following a strategic approach similar to the one in SAPARD 2. Ex-ante evaluation required for new national rural development programmes (y/n)
	E. Improved delivery systems for aid granting (transparency, delays, appropriate selection of beneficiaries) in national/regional rural development policies	Description of new application, selection and payment procedures for national rural development measures



	F. Development of the concept of partnership at all levels in national agricultural and rural development policy	<p>1. Economic and social partners and other national relevant bodies are consulted according to national rules and practice for the preparation of national rural development measures (y/n; description)</p> <p>2. Agricultural and environmental authorities and bodies are associated to the development, implementation, monitoring, evaluation and review of rural development measures (y/n; description)</p>
<b>B.II. Concerning the objective to solve priority and specific problems for the sustainable adaptation of the agricultural sector and rural areas in the applicant countries.</b>		
Question	Criteria	Indicators
1. To what extent has the Programme helped stabilizing the rural population?	A. The age profile of population benefiting from assistance contributes towards maintaining/promoting a balanced population structure.	Share of persons working on beneficiary farm/forest holdings and aged (%): a) <30 years (%); b) 30-39 years (%); c) 40-60 years (%); d) > 60 years (%);
	B. Gender profile of population benefiting from assistance contributes towards maintaining/promoting a balanced population structure.	<p>1. Ratio of [female] to [male] for persons benefiting from assistance;</p> <p>2. Share of assisted projects developed by women (%).</p> <p>[also use other evidence including information from existing common indicators]</p>
2. To what extent has the Programme been conducive to creating/maintaining employment opportunities in the rural areas?	Employment is created or maintained directly and indirectly by the Programme in enterprises (other than agricultural holdings and fishing enterprises) in rural areas or in branches connected with agriculture and fishing.	<p>Employment created or maintained in directly and indirectly benefiting enterprises (other than agricultural holdings and fishing enterprises) (FTE):</p> <p>a) of which women (%); b) of which young people (under the age of 30) (%); c) of which concerning the pluriactivity of part-time farmers (%); d) of which indirectly as a result of supplier and income multiplier effects (%);</p> <p>[also use other evidence including information from existing common indicators]</p>
3. To what extent has the Programme been conducive to improving the standard of living of beneficiary populations?	A. Income of the assisted rural population maintained or improved directly or indirectly by the Programme.	Ratio of [average variation of income of directly or indirectly assisted population] to [average variation of income of overall population]

	B. Access of rural population to services improved directly or indirectly by the Programme.	Share of rural population having access to services before and after the Programme (%): a) of which assisted directly or indirectly by the Programme (%); b) of which basic services (water supply, sewage, electricity) (%); c) of which telephone and telecommunication services (%); d) of which cultural/social services (%);
4. To what extent have the assisted measures contributed to diversify the rural economy and improve the market situation of the rural areas?	A. More dynamic economy in rural areas. <sup>6</sup>	1. Number of directly or indirectly assisted new economic activities in beneficiary areas; 2. Evidence of improved dynamism in beneficiary areas (description).
	B. Productivity has been improved and/or costs reduced in key production chains thanks to the Programme.	Added value in key benefiting production chains before and after assistance (EUR)
5. To what extent have the assisted measures contributed to protect the environment of the rural areas?	A. Protection of environment in rural areas has improved;	Share of rural territory directly or indirectly protected thanks to assistance (%). [also use other evidence including information from existing common indicators]
	B. Waste management has improved;	Volume of waste collected/treated thanks to assistance (m <sup>3</sup> ): a) of which treatment of water/liquid waste (%); b) of which treatment of solid waste (%); [also use other evidence including information from existing common indicators]
	C. Awareness of environmental issues has increased among the rural population.	Share of rural population involved in assisted actions related to environmental protection of any kind (%; e.g. environmental training, pilot activities, information campaigns...) [also use other evidence including information from existing common indicators]

<b>B.III. Concerning the conception and implementation of the Programme</b>		
1.To what extent have the implementing arrangements contributed to maximizing the intended effects of the Programme	Beneficial effects have been maximized through combination of eligibility criteria, premium differentiation and/or procedures/criteria for selection of projects.	<ol style="list-style-type: none"> <li>1. Leverage rate = [total spending by direct beneficiaries on assisted actions] to [public co-financing];</li> <li>2. Evidence of dead-weight [description and approximate quantification];</li> <li>3. Evidence of actions/projects resulting in beneficial indirect effects [description].</li> </ol>

CHAPTER C. PROGRAMME SPECIFIC QUESTIONS

Question	Criteria	Indicators
1. Has the Program contributed to mobilize available national investment finance sources to the benefit of program applicants?	The applicants have had improved/easier access to bridge financing.	<ol style="list-style-type: none"> <li>1. Share of applicants who have managed to secure bridge financing from formal finance service providers (e.g. banks, investment funds, etc.);</li> <li>2. Trend in the ratio {assisted projects receiving commercial credit} to {total number of assisted projects};</li> <li>3. Description of bridge financing sources for SAPARD beneficiaries.</li> </ol>
2. What is the impact of Programme implementation on the competitiveness and accessibility of Romanian agri-food products on the international markets?	The implementation of the Programme has favorable impact on the quality and safety of Romanian agri-food products and improved their access on international markets	Share of assisted holdings/enterprises which have established commercial contracts for the sale of their goods on the international markets, of which: <ol style="list-style-type: none"> <li>a) on the EU market (%)</li> <li>b) on other CEEC countries (%)</li> <li>c) on other OCDE and non- (EU/CEEC) countries (%)</li> </ol>
3. What is the extent to which SAPARD has contributed to the establishment of production/processing/marketing chains in the agricultural sector or other assisted activities in the rural areas?	Production/processing/marketing chains have been established thanks to the assistance.	Share of production/processing/marketing chains established thanks to the assistance (%)
4. To what extent has the Programme contributed to the preservation and revitalization of the rural heritage and cultural traditions?	The Programme has favorable impact on the preservation of cultural traditions and rural heritage	Share of assisted projects in traditional agri-industry (e.g. jams, cheeses, sausages, etc.) Share of assisted projects situated in tourism concentration areas
5. To what extent has the Programme facilitated/promoted foreign investments in the agricultural sector/rural areas?	Foreign investments have been attracted in the production/processing of agricultural/fishery/forestry products following assistance.	<ol style="list-style-type: none"> <li>1. Share of assisted projects with foreign investor participation by sector/measure (%): <ol style="list-style-type: none"> <li>a) of which green-field investments (%);</li> <li>b) of which joint ventures with Romanian participation (%).</li> </ol> </li> <li>2. Share of assisted projects with foreign investment participation from total assisted investments by sector.</li> </ol>

6. What is the impact of Programme implementation on Romanian suppliers of inputs [e.g. construction materials and services, rootstock, livestock etc.] and producers of agricultural machinery and equipment?	The implementation of the Programme has favorable impact on the business activities of Romanian suppliers of inputs and producers of agricultural machinery and equipment.	Ratio of value of assisted inputs/equipment of Romanian origin to overall value of investments assisted by the Programme.
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# Annex II Terms of Reference for Kvistgaard Consult

## Completion of the SAPARD Midterm Evaluation

### Romania

February 2004

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**Project title: Completion of the Midterm evaluation of the SAPARD programme in Romania**

## **1. Background information:**

URS and Triple Line Consulting Consortium, UK, contracted the midterm evaluation of the Rumanian SAPARD Programme, and the evaluation was initiated in spring 2003. Since then six reports (an inception report, two interim reports and three draft final reports) have been submitted to the The Ministry of European Integration (MoEI) and the Ministry of Agriculture, Forests, Water and Environment (MoAFWE, hereinafter MoA). The two latest draft final reports were submitted to the MoA and MoEI respectively the 15<sup>th</sup> of January 2004 and the 31<sup>st</sup> of January 2004.

The Managing Authority (MA) and the Steering Committee (SC) have approved neither of the reports, as they do not fulfil the requirements stated in the Terms of Reference (ToR) for the evaluation. Furthermore, it is the position of the European Commission, DG Agri, that the draft midterm evaluation reports do not live up to and follow the defined guidelines established for midterm evaluations of SAPARD programmes in accession and new member states countries.

Kvistgaard Consult was in January 2004 invited by MoA and MoEI to prepare a review of the draft final reports on the midterm Evaluation of the SAPARD Programme in Romania. On the recommendation of the MoEI, Kvistgaard Consult was proposed by URS and Triple Line Consulting as a sub-contractor in order to complete the Final Report of the mid-term evaluation.

## **2. Objectives of the assignment**

The *overall objectives* of the assignment are to revise and complete the Final Report of the midterm evaluation.

In order to fulfil the overall objectives the following *specific objectives* have been defined:

- Collection of new primary data as needed by the TOR requirements;
- Restructuring of the current draft in order to ensure that the EU guidelines for SAPARD and for midterm evaluations are followed;
- Incorporation and answering of the predefined common and specific evaluation questions structure by a set of evaluation criteria cf. the EU guidelines;
- Review of the existing analysis of the administrative set-up and supplementation of it, as required;
- Decide on the inclusion of the existing analysis of regional aspects.

The specific objectives are developed from the review of the draft final reports and all accompanying information.

Based on the above-mentioned overall and specific objective, the following *operational objectives* have been identified.

- To review the existing primary data;
- To develop a new set of measure specific questionnaires covering a representative range of beneficiaries (until the 1<sup>st</sup> of July 2003);
- As required, to conduct selected additional interviews with key informants at the SAPARD Agency and at the regional level;

### **3. Tasks**

This assignment will be implemented through the following tasks:

#### **Task 1 - Existing data appraisal and preparation and dissemination of beneficiary questionnaire.**

This work will consist of drafting a questionnaire, identification of the recipients for that questionnaire, sending the questionnaire to the recipients. Review and evaluation of all existing information will contribute to the questionnaire but also to the methodology for the entire assignment.

#### **Task 2 – Delivery of a Project Completion Plan**

On the basis of all data received and reviewed, a work plan for completing the final report including: an estimate of precise mandays required to complete each task broken down by expert; a revised structure and contents page for the report, a timeline for completion of the work, and a consultation plan for reviewing with the MA and Commission and conducting selected additional interviews with key informants in-country. This Project Completion Plan will be approved by URS and Triple Line before proceeding to the next stage.

#### **Task 3 – Report preparation**

This task will include the preparation and submission of the Draft Final Report, the review process by the Monitoring Committee and the completion of the Final Report based on that review.

#### **Task 4 - Potential attendance at MC meetings (to be confirmed later)**

### **4. Outputs**

The following outputs have been defined:

- A Project Completion Plan
- A revised draft final report
- Presentation of the revised draft report to the monitoring committee (to be agreed)
- A final report
- Documented, measure specific questionnaires
- Documentation of interview approach



## 5. Inputs

In order to accomplish the above-mentioned assignment, a maximum input of 75 man-days is needed (inclusive of local Romanian experts).

The team will consist of 2-3 international consultants. Morten Kvistgaard will be the Team Leader and thereby responsible for the completion of the midterm evaluation. He will be supported by Jens P Olsson and / or Heidi Skov Andersen. The local Romanian expert will be a member of the existing team who have worked on the assignment to date and who therefore have extensive knowledge of data and SAPARD progress.

The responsible company for the final report will be the URS and Triple Line Consortium with Kvistgaard Consult being a subcontractor.

Besides the maximum of 75 man-days, travel expenses including subsistence and local technical assistance for interpretation and translation, will be covered summing up to 11,700 in total cost expenses. The budget is presented in the table below.

**Table 1: Budget**

BUDGET COMPONENTS	BUDGET (EURO)
Fees 75 man-days, comprising international and local experts	37,000.00
International flights Number of flights Cost per return flight Local transport	up to 6 750 1.000,00
Subsistence  Up to 40 days @ 80 Euros per day	  3,200
Translation, interpretation, local assistance ( lump sum)	3.000.00
<b>Total</b>	<b>48,700.00</b>

All flights taken will be economy class and all receipts and boarding passes for tickets must be submitted with claims for payment.

All other reimbursable expenses will be paid to the sub contractor on production of receipts proving the exact expenditure.

Time sheets must be prepared detailing mandays spent and on what tasks, by each contracted expert.

## **6. Time table**

The start date of this assignment is the 23<sup>rd</sup> February 2004.

The project completion plan (Task 2 above) is required by the 5<sup>th</sup> March 2004. The plan will set out the required tasks and mandays needed to complete the assignment and prior to activities commencing on this, this will be confirmed by URS and Triple Line.

A revised draft final report based on the new evaluation design will be delivered to the MA no later than the 22<sup>nd</sup> March 2004. This assumes that the MA will have five working days subsequent to this date to take comments on the report and that the consultant will then incorporate these comments within 3 working days.

The final version of the report will be delivered, assuming the achievement of this timetable, on the 31<sup>st</sup> March 2004.

## Annex III Debriefing note

# Completion of the SAPARD Midterm Evaluation Romania

31<sup>st</sup> March 2004

**Table of content**

1. INTRODUCTION	173
2. REVIEW OF DRAFT FINAL MIDTERM EVALUATION REPORT	174
2.1. STRUCTURE AND CONTENT .....	174
2.2. METHODOLOGY .....	177
3. POSSIBLE ACTIONS TO TAKE, RELATED COSTS AND TIME TABLES	179
3.1 OPTION 1 .....	180
3.2 OPTION 2: RESTRUCTURING OF PRESENT REPORT .....	180
3.3 OPTION 3: REDESIGN OF THE EVALUATION METHODOLOGY .....	181
3.4 OPTION 4: DEVELOPMENT OF MONITORING AND EVALUATION SET-UP + OPTION 1 OR OPTION 2 .....	181
3.5 OPTION 5: DEVELOPMENT OF MONITORING AND EVALUATION SET-UP + REDESIGN OF THE EVALUATION METHODOLOGY (OPTION 3) .....	182

## 1. Introduction

The Ministry of European Integration (MoEI) and the Ministry of Agriculture, Forests, Water and Environment (MoAFWE, hereinafter MoA) has on January 22<sup>nd</sup> 2004 invited managing director Morten Kvistgaard, Kvistgaard Consult (Copenhagen, Denmark) to Romania in order to prepare a review of the draft final report on the Midterm Evaluation of the SAPARD Programme in Romania delivered from the evaluator (URS and Tripleline Consortium, UK) to the Managing Authority (MA) mid January 2004.

The mission took place from the 29<sup>th</sup> to the 30<sup>th</sup> January 2004. The background, objectives and output of the mission is presented in this debriefing note.

The *background* for the invitation and for the mission is that the provided midterm evaluation report as well as a previous draft as of December 2003 according to the MA and the Steering Committee (SC) for the evaluation *does not* fulfil the requirements stated in the Terms of Reference (ToR) for the evaluation. Further more, it is the position of the European Commission, DG Agri, that the draft midterm evaluation report *does not* live up to and follow the defined guidelines established for midterm evaluations of SAPARD programmes in accession and new member countries.

Morten Kvistgaard has been invited for this review, as Kvistgaard Consult since 1999 has accomplished technical assistance projects (capacity building, training) and evaluations (ex ante evaluations, midterm evaluations) within agriculture and rural development in Lithuania (1999 - ), Estonia (1999 - ), Slovakia (2000 - ) and the Czech Republic (2003 - ) as well as in Slovenia (2003), Latvia (2003) and Poland (2002) contributing to capacity build-up and preparation to implementation and management of Structural Funds with focus on agriculture and rural development. For specific references see [www.kvistcon.dk](http://www.kvistcon.dk).

*The objective* of the mission is to

- Review the draft final midterm evaluation report including annexes
- Prepare a note on the findings and as a part of this note to
- Prepare recommendation to the MA for action to be taken to ensure a high quality midterm evaluation report in line with the expectations and requirements of the MA and the European Commission.

This debriefing note includes besides this introduction a review of the draft evaluation report focusing on structure, content and methodology, as well as four options or recommendations for further action and related costs and time tables.

The debriefing note is based on documents provided of the MA and on discussions with the following persons met during the first day of the mission:

- *Valeriu Steriu*, State Secretary, MoAFWE
- *Eugen Teodorovici*, Director, Directorate for Coordination of Phare, ISPA and SAPARD, MoEI (Managing Authority), MA

- *Dorian Dorin*, Advisor, Directorate for Coordination of Phare, ISPA and SAPARD, MoEI (Managing Authority), MA
- *Florina Barbu*, Counsellor, Directorate for Coordination of Phare, ISPA and SAPARD, MoEI (Managing Authority)
- *Elena Secuesu*, Director General, SAPARD Agency
- *Dan Gherghelas*, Deputy General Director, SAPARD Agency

## **2. Review of draft final midterm evaluation report**

It is the impression of the consultant that the draft final report in many aspects provides the MA and the National Monitoring Committee (NMC) on the one hand and the MoA and the SAPARD Agency on the other hand with valuable information about the progress of the implementation of the SAPARD Programme in Romania. The draft final report reflects the insight of the evaluation team in agricultural and rural development issues in general and in accession countries in particular.

The consultant will not give any further credit to the positive aspects and elements of the draft final report in this review other than to emphasize several good ideas and recommendations, which could be taken into consideration of the MA following the finalization of the midterm evaluation.

Instead the consultant will focus on the weak points in the draft report and provide suggestions to action to strengthen the evaluation on these points.

The consultant has no information about any factors (risks, killing assumptions) influencing the evaluation process neither internally in the evaluation team nor externally in the relations between the evaluator and the contracting authority and has therefore no information giving any reasons or causes for the quality of the draft report at hand.

The review will address the structure and the content of the report first, and second the methodology applied of the evaluator.

### **2.1. Structure and content**

The draft report follows to a large extent the table of content required in the ToR, but the reading of the content of the individual chapters does not provide the reader with a well structured, well documented and well argued presentation of the progress of the programme implementation. The individual chapters and sections will briefly be commented.

The *executive summary* is not an optimal structured part of the report giving the reader a comprehensive overview of the programme, its implementation so far, its achievements and administration as well as the methodology used to analyse the programme leading to clear conclusion and anchored recommendations.

A revision of the summary is needed, when the overall text of the final report is in place.

The *introduction* contains several sections with interesting and useful information, but the intention of the evaluator with the rather descriptive sections is not clear. If sections are needed for later analysis this could be emphasised, or sections might be removed from the main text and inserted into annexes. Some might even be deleted.

*Chapter 2* on methodology is rather short and the reader is left without a clear understanding on the methods used, the character of data collected and the validity of the data. Instead reservations are articulated concerning the requirements of the ToR and the Common Evaluation Questions due to the fact that no projects have been completed at the cutting date of the evaluation (30<sup>th</sup> June 2003). As a matter of fact, this has no severe implications on the midterm evaluation, as useful information still can be collected to answer the majority of the evaluation questions. In order to give the reader this rather important understanding, it is recommended to expand the chapter with a deeper explanation of the approach, see the next section of this note on methodology.

*Chapter 3* is missing.

*Chapter 4* on analysis contains as required the assessment of the Ex ante Evaluation as well as the required evaluation of eligibility and selection criteria, measure by measure. Both sections contain good elements but also very superficial observations. The specific “location” of the evaluation of selection and eligibility criteria in the report is not clear.

The section 4.2 on review and analysis of data collected is far from being adequate. In the presented draft it is very superficial and based mainly on summarised statements presented in bullets.

A presentation of the findings of a supplementary survey conducted during January is under construction, and an assessment hereof can of course not be given. However, the telephone based survey will provide the evaluator with additional information from beneficiaries, and that is positive, see again the next section in this note on Methodology.

The next section in the chapter proclaims that it will include answers to the Common Evaluation Questions as well as quantifications of goals, outputs, results and impacts. It is not clear from the text, which evaluation questions are answered and what the answers are. It should be recalled that the majority of the measure related evaluation questions are targeting effects (results and impacts), and as the evaluator stresses several times, no results and no impacts can be measured or observed as no projects are completed. However, expected results and impacts could be derived from the project files. The evaluator has made an attempt to collect information from the files through the regional offices to answer the evaluation questions, but it is not presented in the section.

The section contains also relevant information of the different issues related to accredited as well as non-accredited measures of the programme, such as sub sectors of Ro-

manian agriculture and food processing and several environmental issues, which might be useful in a proactive perspective, but at this stage it stands out without a clear and articulated relevance for the evaluation.

The chapter continues through a description of Environmental Impacts Assessment procedures to presentation of answers to cross cutting evaluation questions. Again it is the impression that the argumentation for the answers, although they might be right and may reflect the situation, is weak and without strong links to the data collected and the analysis performed.

The same point goes for the programme specific evaluation questions, except for the comprehensive and maybe unbalanced coverage of the idea of leasing.

The last section is devoted to the evaluation of the effectiveness and efficiency of the programme implementation. The section is very superficial, but should probably be read in connection with chapter 5 on the quality of programme implementation and organisation of monitoring, although it is not clear why this distinction between evaluation of programme implementation effectiveness/efficiency and quality is made.

By the way: The chapter did never as indicated in the heading of the chapter provide the reader with any quantification of targets, outputs, results and impacts.

*Chapter 5* puts emphasis on monitoring, but unfortunately the evaluation team uses a misleading definition of the concept. According to common evaluation praxis monitoring is dealing with several issues related to the programme interventions (financial input as well as physical inputs, outputs, results and impacts) and is definitely a task for the SAPARD Agency in order to deliver adequate information to the MA and the NMC. On the other hand it is probably right as stated of the evaluator that the used monitoring indicators are incomplete and difficult to use and an effort to solve this problem is required. The solution is not only to develop indicators related to the evaluation questions, but to the objectives hierarchy of the programme in order to make a match between overall, specific and operational objectives on the one hand to impacts, results and outputs on the other.

Several of the following sections in this evaluation of the implementing set-up are also very weak founded and need to be strengthened, as an example: What does it mean that the application processing is not rapid, if the reader does not know how long it is, how long it should be referring to the target of the operational manual of the Agency and to the specific situation in question determining the time spend?

Section 5.4 and 5.5 on ranking of projects and the so-called EURO:ROL exchange rate risk give interesting information and should be considered of the MA.

The last section on evaluation of the manner of which the economic and social partners contribute to the quality of programme implementation is a surprising section. It contains a sub section of the so called payment triggered by invoice and another sub-



section addressing the increased role for the regional agencies. Both issues might deserve a place in the report, but the heading is probably wrong.

The regional aspect of the programme implementation is very important, and the consultant agrees with this point of view of the evaluator. However, the argumentation is again very weak, and not based on any analysis of the regional distribution of the applied and approved projects, the reasons for the distribution and the costs and benefits of an increased regionalisation. It would have been interesting to learn from the evaluation, why an increased regionalisation should be pursued, what the costs would be and what the benefits would be from a programme perspective.

The final sections in chapter 5 are negligible.

*Chapter 6 Conclusions* summarises many of the conclusions and recommendation presented previously in the different chapters. As mentioned above many of the conclusions might be right, but are not convincingly presented and argued, and many of the recommendations might be good as well. But it is important to establish a link between the analysis, the conclusions and the recommendations.

Finally, it would be to great benefit for the MA, if the recommendations are prioritized, addressed and put into a time perspective. Who (Agency, MA, MoA, Commission) should do what when, and what should be done as the first thing?

By the way: *The annexes* deserve to be presented in a proper way.

*Summarizing* the review of the structure and the content of the draft final report, the consultant finds that the report does suffer from an unclear structure, mixing the horizontal (the evaluation of the administration, the EIA and the programme level) as well as the vertical dimensions (evaluations of the individual measures) in the evaluation. A more clear and stringent treatment of each of the issues would have given the reader a better understanding of the results of the evaluation.

To this should be added that the draft final report also concerning the layout and the presentation definitely is a draft report.

## **2.2. Methodology**

The content and the structure of the evaluation report is first and foremost a function of the methodology applied in the evaluation.

In this context important elements are predefined in the evaluation guidelines and in the ToR. Operationally, the common and cross cutting evaluation questions and the programme specific evaluation questions are setting the scene together with the evaluation criteria defined in the ToR and applied in the evaluation. To this should be added the different themes and issues asked for in the ToR.

Having this framework defined together with the general structuring of the work process and the required deliverables, it is up to the evaluator to choose the approach, which is best suited to the evaluation at hand.

In this midterm evaluation the evaluator has chosen – leaving the desk research aside - to build his approach on *three pillars*, presented as early as in the inception report.

*The first pillar* is the formal survey based on the Common Evaluation Questions. This survey was made operational through questionnaires to the staff in 8 regions. The staff compiled from the (total?) number of approved projects within the regions information which was assumed would be relevant for the CEQs. The idea is in principle good. It is cost effective and gives access to all project files. But it has several risks, and the evaluator therefore stresses several times that the results are fragile. Only 5 out of 8 regions did reply, and only a few of the regions did reply the full questionnaire.

Furthermore the validity of the data collected in the questionnaires might be weak. Did the staff collect the right information, and did they assess it in the right way? And finally: did the beneficiaries fill in the right information and the right nominators in the application form? There are several problems, which calls for an experienced evaluator to do the job and not a regional officer not used to handle this type of information for this particular purpose.

The SAPARD Agency raised the flag on this method at an early stage (during the inception phase) but without any consequences for the approach.

*The second pillar* is the stakeholder group interviews held on a seminar form in 8 regions, and chaired of a local major. He chaired the seminar on the basis of a questionnaire/interview guide as some sort of structured agenda. The seminars were attended by a large number of different stakeholders, and the consultant assesses this approach as very good and informative. Although a big number of beneficiaries and other stakeholders did participate, the information from these seminars can only be qualitative, and it should be added that the evaluator does not present them as anything else. The point here is that the approach is good, but can only be a qualitative character and maybe also only supplementary to more quantitative surveys.

Project visits were conducted in a large scale as the *third pillar*. 44 projects were visited distributed among regions in East and West and between the two accredited measures (leaving TA out). This approach is very useful and is almost a necessity in a programme evaluation and should therefore be appreciated.

But, and there is a reservation. The draft report does not include any documentation of the character of the interviews conducted, such as a structured interview guide. Therefore it is very difficult to see in the report, how much weight the arguments for the different statements and observations have. It is common practice to use project visits in programme evaluations and it is also common practice to carry out the project visits as case studies giving answers to the evaluation questions and the evaluation criteria. Car-

ried out in that way the project visits can feed directly into the argumentation and the answers of the evaluation questions, and they can do that on a semi-quantitative way.

These three pillars in the evaluation approach are supplemented at a very late stage (January) with a *fourth pillar* in terms of 72 telephone interviews to 52 beneficiaries and 20 non-approved project applicants. The questionnaire used contains many relevant questions, but in large numbers (it is very long) and many of the questions are difficult to answer on the phone. However, the initiative is good in order to supplement the data, although there appears to be an overlap between the project visits and the telephone interviews. This might indicate that the project visits did not provide the needed information in the first place during the visits, but this is only a guess from the consultant.

*To summarize:* it is the opinion of the consultant that the primary data collection *not* has been carried out in an optimal way. Basically, a full survey addressing all applicants or at least all successful beneficiaries could have given the midterm evaluation a much better and much more solid foundation concerning all aspects of the programme: objectives and results as well as administrative issues.

Furthermore it is important for the consultant to stress that the evaluation design and the chosen approach do not specifically address one of the most important issues of the evaluation: *The administrative set up* and the evaluation of this. The approach to data collection, the interview guides used and the staff interviewed is not presented. Therefore it is very difficult for the consultant to see the justification for many of the points stated concerning the quality of the implementing arrangements, and it is therefore also difficult to judge the answers to the evaluation questions concerning this issue.

Finally, the *Environmental Impact Assessment (EIA)* suffers from the same problems concerning the presentation of data collection and approach. It is not clear to the consultant, what is the result of the exercise.

Before closing the section it could be added that the *evaluation criteria* are not properly defined and applied through out the evaluation as the fundamental principle they were intended to be according to the ToR.

### **3. Possible actions to take, related costs and time tables**

The consultant has below drafted 5 options for further action. The options are described very briefly, and the costs related to each of them are only indicative. Here it is the intention of the consultant to present different actions ranging from a rather reactive and passive and therefore also cheap solution (option 1) to the most ambitious and most costly option (option 5).

Before any decision is taken, consultations with the Commission representatives might be useful.

Finally, more precise ToR for the assignment need to be developed, and in order for the consultant to be eligible for an invitation to a potential restricted tender, the consultant shall step back from any contributions to the ToR.

### **3.1 Option 1**

The first option is to demand from the present midterm evaluator a revised and strengthened report based on the present data (including the supplementary survey). The report should be restructured and reedited and the argumentation should be improved and strengthened, where the evaluator wish to give his conclusions and recommendation weight.

The overall consideration and argument for this option should be to be able to have a final report by the end of February in order to submit the report to the Commission at the same date and without any prior formal and final approval from the NMC. However, the SC could and should take the time to approve the final report based on a presentation from the evaluator before sending it to the Commission. The time table follows the tentative time table included in the SC letter to the evaluator signed of state secretary Maria Crivineanu, dated December 2003.

The option has two negative implications: First, the evaluation does not provide the MA, the MoA and the Agency neither the Commission a high quality report. It will contain useful information and some recommendations, but the overall as well as the specific picture of the programme implementation so far will not be available.

Further more, the final report will be ready primo March, more than 8 months after the cut off date for the evaluation, leaving the Agency with a very long period of activities not dealt with in the evaluation. In many ways, the report will be outdated before it reaches the Commission mailbox.

The involvement from the consultant's side would be minor recommendations to the evaluator about restructuring the report, commenting on the new draft final etc. if appreciated of the evaluator, but no direct involvement of the finalization as such.

The costs for the MA for this intervention from the consultant will be modest and will count no more than, say, 5 – 7 man days, a few per diem rates and a return flight ticket Copenhagen – Bucharest. Total costs will exceed 5.000 EURO, and the assignment can be implemented without a tender procedure.

Any further action concerning the programme implementation could await the Midterm Evaluation up-date in 2005.

### **3.2 Option 2: Restructuring of present report**

An option a little more ambitious than option 1 is to prepare a restructured and re edited midterm evaluation report based on the present draft and the present data collection,

and trying to strengthen the argumentations for the present recommendations and conclusions and, if relevant to develop them further.

The costs of this option are estimated to be around 15,000 EURO and will include 22 man days and expenditures.

The timetable will be end of February in accordance with the SC requirements.

### **3.3 Option 3: Redesign of the evaluation methodology**

The second option is to redesign the evaluation. This will include new data collection and improved analysis based on these new data.

The approach would build on a comprehensive postal questionnaire survey addressing as a minimum the total population of beneficiaries, but it could be considered to include also a large number of unsuccessful applicants.

This quantitative approach would be the basis for the revised evaluation and the results from the present draft report could be used as supplementary input.

New data collection would however also be needed concerning the administrative set-up, the EIA and the regional dimension. Also quantifications of targets, outputs and expected results and impacts would require particular attention.

It could be considered to include beneficiaries as late in the programme implementation as possible, say 31.12.2003 or even primo 2004. This would give the MA a more actual and relevant midterm evaluation and give additional value for the investment.

The costs will be in the range between 75.000 EURO and up to 100.000 EURO depending on the specific content of the assignment and will cover between 4 and 5 man months from international experts, local assistance and expenditures for accommodation, per diem and travels. A restricted tender procedure is demanded.

The time table will be final report to be delivered by the end of March 2004, or two months from signing of contract.

The consultant will need to identify a local partner or assistant for support and would ask the MA for assistance concerning this particular issue.

### **3.4 Option 4: Development of Monitoring and Evaluation set-up + Option 1 or Option 2**

The overall objective of the option is to develop a comprehensive monitoring and evaluation system based on indicators on all levels linked to the programme objectives hierarchy. This will require an assessment of the design of application forms, of progress report templates and final report templates for the beneficiaries as well as the build up of a database system capable of handling the information gathered during ap-

plication procedures and project progress and final reports. Inspiration could be found in the Czech Republic for further development.

This option could be linked to option 1 and include the assistance to the present evaluator on the finalization of the evaluation within the end of February. Also a combination with option 2 could be suggested taking over the re structuring of the final report to the consultant.

The timetable for the finalization of the mid term evaluation report would match the time table suggested of the SC and be ending by the end of February. The time table for the main part of the assignment could be rather flexible, but it would be constructive for the contribution to the capacity development, if the assignment could be implemented over a longer period, say ending December 2004.

The costs will be in the range between 75.000 EURO and up to 100.000 EURO depending on the specific content of the assignment and will cover between 4 and 5 man months from international experts distributed over 10 months from March to December and expenditures for accommodation, per diem and travels. A restricted tender procedure is demanded.

### **3.5 Option 5: Development of Monitoring and Evaluation set-up + Re-design of the evaluation methodology (Option 3)**

The most ambitious option would be to solve two problems/issues in one assignment.

The first problem/issue would be to redesign the Midterm evaluation in accordance with option 3 briefly described above.

The second issue is to develop the monitoring and evaluation system as described briefly under option 4.

The time table for this option would be end of March for the redesign of the Midterm evaluation and end of 2004 for activities concerning the development of a new monitoring and evaluation indicator system.

The costs for this model will be in the range between 150.000 EURO and up to 200.000 EURO depending on the specific content of the assignment and will cover between 10 and 12 man months from international experts, local assistance and expenditures for accommodation, per diem and travels. A restricted tender procedure is demanded.

The relevance of this approach could be emphasised of the major issues raised of the Commission in the latest regular report on Romania.

A summary table of the options is drafted below.

<b>Costs categories</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>	<b>Option 5</b>
International expert input	5 – 7 man days	22 man days	4 – 5 man months	4 – 5 man months	10 – 12 man months
Expenditures	Included	Included	Included	Included	Included
<b>Total</b>	<b>5,000 EURO</b>	<b>15,000 EURO</b>	<b>75,000 – 100,000 EURO</b>	<b>75,000 – 100,000 EURO</b>	<b>150.000 – 200,000 EURO</b>

## Annex IV Progress reports

# Completion of the SAPARD Midterm Evaluation

## Romania

31<sup>st</sup> March 2004



## Table of contents

1. INTRODUCTION.....	186
2. CURRENT ACTIVITIES.....	186
2.1 DESK RESEARCH.....	186
2.2 INTERVIEWS.....	187
Managing Authority.....	187
The SAPARD Agency.....	187
Stakeholders.....	188
2.3 QUESTIONNAIRES.....	188
3. TIMETABLE.....	190

Annex I	Interview guide for stakeholder interviews
Annex II	Questionnaire for M 1.1
Annex III	Questionnaire for M 2.1

## 1. Introduction

According to the terms of reference between URS and Kvistgaard Consult, Kvistgaard Consult is required to submit a 'Project Completion Plan'. This report marks the end of task 1 in the ToR and can in addition be viewed as a draft Project Completion Plan, which hence indicates the progress of the current activities under task 2.

This report covers the period 23<sup>rd</sup> February – 5<sup>th</sup> March 2004. The main activities conducted in the period are desk research, conducting interviews with Programme staffs and stakeholders and initiation of a round of questionnaires for the Programme beneficiaries.

The report will show the points of action taken as well as what actions that are expected to be engaged in the following weeks. Weekly reports will follow each following Friday during the remaining implementation of the midterm evaluation.

## 2. Current activities

The following activities were conducted during the first phase of the project.

### 2.1 Desk research

The desk research was initiated in the first days of the project period. The desk research included structuring and organising of the available information on the project implementation so far.

The initial desk research included:

- In depth desk research of the Programme context, design and objectives hierarchy
- In depth desk research of the methodology, results, conclusions etc. of the current evaluation reports
- In depth desk research of information not included in the evaluation reports.

The desk research is an ongoing process and has hence not as such been concluded.

In addition more data was received during the mission 25<sup>th</sup> February – 3<sup>rd</sup> March from the SAPARD Agency and Managing Authority. The information will be elaborated upon and included in the further project as appropriate. Especially information concerning the following topics is pivotal in the assessment of the administration and management of the Programme:

- MAFA
- Statutes for the MC
- Members of the MC
- Documents provided to the MC on changes in programme, if any

- Application forms for beneficiaries
- Applicant guidelines
- Business plan templates
- Feasibility study templates
- Reporting templates
- Monitoring indicators and tables
- Operational guidelines for the staff in Agency (implementation, payment, control etc.)
- Administrative costs of the Agency, distributed on activities, if possible
- Number of staff
- Education and Qualifications
- Training and resources used on training.
- Promotion and information materials

The Managing Authority and the SAPARD Agency delivered the requested information in due time for the further evaluation. Additional information is however still required for the further assessment of EIA measures in the Programme. These include reporting on the PHARE project EUROPEAID/112525/D/SV/RO.

## **2.2 Interviews**

Interviews were initiated with three groups of persons.

### **Managing Authority**

A briefing meeting was held with representatives from the Directorate for Coordination of the ISPA and SAPARD Programmes director, Eugen Teodorovici, advisor, Dorian Dorin and counsellor Florina Barbu. The original evaluation team was presented by Radu Dumitrescu and Jilana ? on the 25<sup>th</sup> February. A debriefing meeting was held with the Directorate on the 3<sup>rd</sup> March.

Additional meeting will be held on ad hoc basis during the project phase in order to ensure that the evaluation reflects the current needs of the Romanian authorities while at the same time it lives up to the EC requirements.

### **The SAPARD Agency**

Meetings were held in the SAPARD Agency with deputy general director, Dan Gherghelas and director of the programme coordination directorate, Victoria Burtea on the 25<sup>th</sup> February and 2<sup>nd</sup> March. In order to cover the assessment of the administrative set-up it was agreed that interviews should be conducted with the 8 directors of the SAPARD Agency.

The interviews with the directors are to be conducted in week 12 and are to be conducted around a set of specific evaluation questions regarding the administrative set-up and capacity. An interview guide for these interviews is under preparation and will be forwarded with the next report.

## Stakeholders

Interviews with national stakeholders – identified from the list of members of the MC – present information on the perception of the Programme mainly in relation to relevance, coherence, sustainability and administration. Below is a list of persons that the project team intend to interview during the evaluation.

The remaining interviews are to be conducted in week 12. The staffs at the MA has been helpful in setting up meeting appointments

Name	Organisation	Interviewed by	Date and time of interview	Need for inter-preter?
1. Vel-eriu Steriu	Ministry of Agriculture, Forests, Waters and Environment	MK		
2. Dore s Condurat	Directorate for Agriculture and Rural Development	MK		
3. ?	Ministry of Transports, Constructions and Tourism	MK		
4. Euge n Ovidiu Chirovici	National Agency for Small and Medium size Enterprises and Cooperatives	JPO		
5. Adri an Radulescu	Romanian Farmers Association – AFR	JPO		
6. Ro- vana Plumb	National Authority for Consumer Protection	JPO/HSA		
7. Gelu Dragomir	Romanian Meat Association– ARC	JPO/HSA		
8. Flore a Popescu	Romanian Milk Employers Association– APRIL	JPO/HSA		
9. Stefa n Nicolae	National Federation of Trade Unions in Agriculture, Food, Tobacco and related Fields and Services– AGROSTAR	JPO/HSA		
10. Ilie Van	Union of Poultry Growers in Romania	JPO	020304, 1030	
11. Ion Toncea	National Federation for Ecologic Agriculture – FNAE	JPO	010304, 1400	
12. Aure l Popescu	Romanian Millers and Bakers Employers Association – ROMPAN	MK	020304, 1000	

As the interviews are strictly qualitative a tentative interview guide has been developed. This interview guide has been attached as annex I to this report.

### 2.3 Questionnaires

Questionnaires were developed, translated, send to the Steering Committee of the Mid-term Evaluation, revised, printed, packaged and sent out with two-day express mail

service to all beneficiaries with approved projects under measures 1.1 and 2.1 as per 30<sup>th</sup> June 2003.

In total 466 questionnaires were sent. Mr. Horia Galoiu, the translator of the previous evaluation team, translated the questionnaires, and in assisting with the packaging the team deployed a local assistant; Rotaru Mihaela Florentina. The questionnaires were developed in close cooperation with the Managing Authority and the SAPARD Agency.

Deadline for the return of the questionnaires is the 12<sup>th</sup> of March, which will allow a week for entering data into our SPSS database, analysis of the data and reporting. We expect to include questionnaires returned until the 17<sup>th</sup> to be included in the draft report.

For the final report questionnaires returned until the 26<sup>th</sup> could be included in order to increase the validity of the results.

The questionnaires are attached as annex II and II to this report.

### 3. Time table

An indicative timetable for use of man-days during the mid-term evaluation of the Romanian SAPARD Programme is presented below.

<b>In man-days</b>	<b>MK</b>	<b>JPO</b>	<b>HSA</b>
<b>Week 9, second mission to Bucharest</b>			
Desk research	3	2	2
Development of questionnaires		2	
Development of interview guides	1	1	
Interviews	2	1	
<b>Week 10</b>			
Development of questionnaires		1	
Interviews with key stakeholders	2	1	
Interviews with administrative staffs	1		
Reporting	2	2	
<b>5.4.1.1.1. Week 11</b>			
Further desk research of the received material from the SA and MA.	2		1
Setting up and coordination of interviews	1		1
Setting up and coordination of data entering for SPSS analysis			1
Structuring and writing on a new report template	4		1
<b>5.4.1.1.2. Week 12, third mission to Bucharest</b>			
Interviews with 8 stakeholder		2	2
Interviews with 8 directors in the SA	2		
Interviews with other staffs at the SA	1		
Data analysis of the returned questionnaires		2	
Reporting in the latter half of week 12	4	1	2
<b>5.4.1.1.3. Week 13</b>			
Submission of the draft final report	1		
Update of the quantitative data from the questionnaires		2	2
Finalising the reporting	6	2	3
<b>5.4.1.1.4. Week 14</b>			
Submission of the final report	3	1	
<b>Total man-days</b>	<b>35</b>	<b>20</b>	<b>15</b>

## Table of contents

INTRODUCTION.....	192
CURRENT ACTIVITIES.....	192
DESK RESEARCH.....	192
INTERVIEWS.....	192
QUESTIONNAIRES.....	193
INTERVIEW GUIDE ADMINISTRATIVE INTERVIEWS	194

Annex I      Structured guide for interviews in the SAPARD Agency

## Introduction

According to the contract and the terms of reference between URS and Kvistgaard Consult, Kvistgaard Consult is required to submit a 'Project Completion Plan'. This report marks the end of task 1 in the ToR and can in addition be viewed as a draft Project Completion Plan, which hence indicates the progress of the current activities under task 2.

This report covers the period 6<sup>th</sup> thru 19<sup>th</sup> March 2004. The main activities that have been conducted in the period are organising and conducting interviews with Programme staffs and stakeholders and structuring, analysing and reporting. The report at the same time marks the end of the progress reports, as the draft final report is in its final preparations.

## Current activities

The following activities were conducted during since the last progress report.

### **Desk research**

Additional desk research has been conducted as an integral part of the data collection and analysis. The evaluator is constructing the new final draft report using in part the previous final report and in part new structures and contents.

The desk research is an ongoing process and has hence not as such been concluded.

The data received on the mission in week 9-10 has been assessed and parts of the results available from the data collection are being used.

### **Interviews**

Interviews were carried out with additional stakeholders and management staffs at the SAPARD Agency.

Interviews with stakeholders included the following:

<b>Name</b>	<b>Affiliation</b>
Dorel Condurat	Agency for Agriculture and Rural Development
Florea Popescu	Romanian Milk Employers Association– APRIL
Stefan Nicolae	National Federation of Trade Unions in Agriculture, Food, Tobacco and related Fields and Services– AGROSTAR
Clementina Ivan-Ungureanu	National Institute of Statistics

The interviews with staffs in the SAPARD Agency were developed around a set of specific evaluation questions regarding the administrative set-up and capacity. The interview guide for these interviews is annexed to this report.



People interviewed in the SA during 16.3. and 17.3. 2004:

General Director Mr. Gheorghita Corbu  
Deputy Director Mr Dan Nicolae Gherghelas  
Director Ms. Andreea Andrei, Internal Audit Directorate  
Director Ms. Costea Melania, Control and Antifraud Directorate  
Director Mr. Marin Georgescu, Human Resources Directorate  
Chief of service Ms. Simona Lunceanu, IT Service  
Director Ms Victoria Burtea, Programme Coordination Directorate  
Director Mr. Constantin Leonte, Selection and Contracting Directorate  
Director Mr Andrei Darlau, Technical Assistance and Training Directorate  
Chief Ms. Puica Ghita, Internal Accounting Service

A briefing was held with director, Eugen Teodorovici, Directorate for Coordination of the ISPA and SAPARD Programmes on the 18<sup>th</sup> March where the progress of the MTE was elaborated.

There will be held no additional meetings as part of the data collection for the MTE. This means that those stakeholders that were initially scheduled for interviews but who could not participate because of the time constraint will not be consulted.

### **Questionnaires**

In total 466 questionnaires were sent, of these 213 was received as of yesterday, which gives a satisfactory 46 percent reply rate. The evaluator expects that additional questionnaires will be received during the next week, which can enhance the validity of the results in the final report.

#### **Results from the round of questionnaires as of 19<sup>th</sup> March 2004**

Measure	Number of beneficiaries	Number of targeted beneficiaries	Number of responses	Response pct.	Number of valid replies	Quantitative validity in pct.
1.1	28	28	15	53.4	14	+/- 18.9
2.1	438	438	198	45.2	197	+/- 5.2
Total	466	466	213	45.7	212	+/- 5.3

Due to a limited number of projects and beneficiaries under Measure 1.1 the results from the questionnaires cannot be used to make a thorough statistical significant quantitative analysis on many parameters at a time. The results are however giving strong indications on the perception of the topics in question. It should be noted that a more than 50 reply rate is under any circumstances very satisfactory. Statistical analyses of the data are currently being processed allowing time this weekend for reporting on the results.

## **Interview guide administrative interviews**

Interviews in the SAPARD Agency were accomplished following a common thematic template targeted the individual respondent depending on position in the SA organisation.

The themes were:

- 1) Introduction to the interview, background and objectives as of to collect data on the administrative set-up in order to be able to answer common evaluation questions in the Midterm Evaluation and to give the respondents the possibility to provide the midterm evaluator with their views of the administration, experiences and suggestions to improvements.
- 2) Presentation of respondent, tasks and responsibilities of the directorate.
- 3) Discussion of the cooperation and the division of labour between the central, the regional and the local level downwards and the upwards cooperation with MA
- 4) Discussion of the cooperation internally in the SA
- 5) Strengths and weaknesses of the administrative system

# Annex V Questionnaire for Measure 1.1

## Completion of the SAPARD Midterm Evaluation

Romania

31 March 2004

## Introduction

In 2003/2004 an international consortium is carrying out an evaluation of the SAPARD programme in Romania. The purpose of the evaluation is to analyse the current development of the programme.

The results from the evaluation will first of all create important knowledge of the impact of the SAPARD programme, but it will also aid in the future implementation of the coming measures carried out under the SAPARD Programme.

You might already have been in contact with the evaluation team; however we have found it relevant to supplement the results from these visits with this questionnaire in order to cover *all* beneficiaries from the SAPARD programme.

Therefore this questionnaire is a central part of the evaluation. The questionnaire consists of 7 general questions (A-G) about your enterprise and of 14 questions (1-14) relating to your experiences with the SAPARD programme.

The questions can be easily answered, and you will not need to find specific information (income statements etc.)

We have included a return envelope with postage paid. We kindly ask you to return the completed questionnaire in this envelope.

The completed questionnaire should be returned by mail in the return envelope before 12<sup>th</sup> of March 2004 to:

Mid-term evaluation of the SAPARD Programme  
Ministry of European Integration  
17 Apolodor Street  
Sector 5, Bucharest

All answers will be handled in confidentiality. Questions related to the questionnaire or the evaluation can be directed to:

Director Eugen Teodorovici, Ministry of European Integration, on phone 3011433, and e-mail [Eugen.Teodorovici@mie.ro](mailto:Eugen.Teodorovici@mie.ro)

*Thank you in advance*

## Company Background Data

### **A What is your position in the company?**

(Please, mark only one)

- (1)  general manager
- (2)  operational /technical/ manager
- (4)  investment manager
- (4)  accountant
- (5)  other, please state \_\_\_\_\_

### **B What were the approximate proportions of the processing (operation lines) of your company in terms of turnover in year 2002?**

(Note that the indicated shares should sum to 100)

- \_\_\_\_\_ % slaughtering of pigs and fresh pork confection
- \_\_\_\_\_ % slaughtering of cattle and fresh beef confection
- \_\_\_\_\_ % production of meat products (various – sheep, goat)
- \_\_\_\_\_ % slaughtering and processing of poultry
- \_\_\_\_\_ % fish processing
- \_\_\_\_\_ % drinking milk production (e.g. fresh, sterilised, UHT)
- \_\_\_\_\_ % dairy products production (e.g. yogurts, cheeses, ice cream)
- \_\_\_\_\_ % fruits, vegetables and potatoes products production
- \_\_\_\_\_ % wine processing
- \_\_\_\_\_ % textile plants (e.g. flax and hemp)
- \_\_\_\_\_ % other - please state the most important

---

**100 % TOTAL**

### **C How many fulltime employees were employed at the company at the end of 2002?**

\_\_\_\_\_ fulltime employees

**D What was the annual gross turnover of your company in the following years?**

- (1) \_\_\_\_\_ billion Lei in 2000  
(2) \_\_\_\_\_ billion Lei in 2001  
(3) \_\_\_\_\_ billion Lei in 2002  
(4) \_\_\_\_\_ billion Lei in 2003

**F How large was the share of export sales in 2000?**

- (1)  no exports  
(2)  1-9 %  
(3)  10-24 %  
(4)  25-49 %  
(5)  50 % or more

**G What is the development in your exports since 2000?**

- (1)  decline  
(2)  no development  
(3)  increase of 1-5 %  
(4)  increase of 6-10 %  
(5)  increase of 11-20 %  
(6)  increase of more than 20 %

## Investment Questions

### 1. How large are the total investments costs of the project (excluding VAT) supported by SAPARD?

- |  |   |
|--|---|
| (1) <input type="checkbox"/> 900 – 2.000 mio Lei             | (5) <input type="checkbox"/> 20.001 – 30.000 mio Lei  |
| (2) <input type="checkbox"/> 2.001- 5.000 mio Lei            | (6) <input type="checkbox"/> 30.001 – 40.000 mio Lei  |
| (3) <input type="checkbox"/> 5.001 – 10.000 mio Lei          | (7) <input type="checkbox"/> 40.001 – 50.000 mio Lei  |
| (4) <input type="checkbox"/> 10.001 mio Lei – 20.000 mio Lei | (8) <input type="checkbox"/> more than 50.000 mio Lei |

### 2. To what extent have the supported investments facilitated...

	To a large extent	To a limited extent	Not very much	Not at all	I don't know
(1) The introduction of rational processing procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) A more effective use of production factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) An increase in outlets for existing products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) An increase in outlets for new products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) An increase in the quality of the products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) An increase in the company's competitiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 3. Is your company better able to compete on the European Union markets after the supported investment?

Yes, very much	Yes, but to a limited extent	Not very much	Not at all	I don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 4. To what extent was your investment depending on SAPARD support?

- (1)  to a very large extent  
 (2)  to some extent  
 (3)  not very much  
 (4)  not at all  
 (5)  I don't know

**5. How large a share of the investments would have been realised if you had not received SAPARD support?**

- (1)  no investment  
(2)  1-25 %  
(3)  26-50 %  
(4)  51-75 %  
(5)  76-99 %  
(6)  all of them

**6. To what extent was your investment aiming to the hygiene and quality of products**

- (1)  to a very large extent  
(2)  to some extent  
(3)  not very much  
(4)  not at all  
(5)  I don't know

**7. How many jobs has the supported investment created or safeguarded?**

- (1) \_\_\_\_\_ number of people has been able to keep their job because of the investment,  
(2) -hereof \_\_\_\_\_ number of women  
(3) \_\_\_\_\_ number of fulltime jobs has been created as *a direct* consequence of the investment,  
(4) -hereof \_\_\_\_\_ number of jobs for women  
(5) \_\_\_\_\_ number of fulltime jobs has been created as *an indirect* consequence of the investment,  
(6) -hereof \_\_\_\_\_ number of jobs for women



**8. How have the supported investments affected the...**

	Significant improvement	Limited improvement	No im- provement	Worse than be- fore the invest- ment	I don't know
(1) Working conditions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Animal welfare?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Environmental impact from production?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Waste management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**9. To what extent has the supported investment facilitated...**

<i>Please, mark one answer per row</i>	To a large extent	To a lim- ited ex- tent	Not very much	Not at all	I don't know
(1) adoption of new veterinary and sanitary standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
higher productivity					
(3) (more effective use of produc- tion factors)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) higher value added and profit- ability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) higher quality of the company's products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) increased protection of the en- vironment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## SAPARD Programme Administration Questions

### 10. How do you find the following issues relating to the project application?

<i>Please, mark one answer per row</i>	Very satisfactory	Satisfactory	Unsatisfactory	Very unsatisfactory	I don't know
(1) Amount of calls for application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Length of calls for application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Amount and adequateness of information available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Detail of information required in application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Requirements of the documents to be provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) Length of the project selection procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) Transparency of the decision making process in the SAPARD Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**11. How appropriate do you find the following eligibility and selection criteria for being able to get support?**

<i>Please, mark one answer per row</i>	Very appropriate	Appropriate	Inappropriate	Very inappropriate	I don't know
(1) Documentation on the financial status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Private financing rate: 50% of eligible expenditure with exception of sugar, cereals and oil seeds that must be at least 70 %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Minimum 3 years of professional experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Business plans only for investments above 50.000 €	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Minimum capacities of new investments in terms of processing raw materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(6) High scoring of projects in rural areas with high productive potentials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(7) High scoring of projects for traditional projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(8) High scoring for projects with established contractual relations to producers of raw materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**12. What are your three main sources of information regarding SAPARD application?**

**(Please, mark only three options!)**

- (1)  Ministry of Agriculture, Forests, Water and Environment
- (2)  SAPARD Agency
- (3)  Ministry of European Integration
- (4)  agricultural advisors
- (5)  information leaflets
- (6)  specialised agricultural periodicals
- (7)  general periodicals
- (8)  television
- (9)  internet
- (10)  other, please state: \_\_\_\_\_

**13. Do you find that the administration of the support is suitable?**

It's very suitable	It's suitable	It's unsuitable	It's very unsuitable	I don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**14. Do you have any additional comments or recommendations regarding the design or administration of the measure?**

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*Thank you very much!!!*

# Annex IV Questionnaire for Measure 2.1

## Completion of the SAPARD Midterm Evaluation

Romania

31<sup>st</sup> March 2004

## Introduction

In 2003/2004 an international consortium is carrying out an evaluation of the SAPARD programme in Rumania. The purpose of the evaluation is to analyse the current development of the programme.

The results from the evaluation will first of all create important knowledge of the impact of the SAPARD programme, but it will also aid in the future implementation of the measures carried out under the SAPARD programme.

You might already have been in contact with the evaluation team; however we have found it relevant to supplement the results from these visits with this questionnaire in order to cover *all* beneficiaries from the SAPARD programme.

Therefore this questionnaire is a central part of the evaluation. The questionnaire consists of 5 questions (A-E) on the current situation of the municipality and of 13 questions (1-13) relating to your experiences with the SAPARD programme.

The questions can be easily answered, and you will not need to find specific information (income statements etc.)

We have included a return envelope with postage paid. We kindly ask you to return the completed questionnaire in this envelope.

The completed questionnaire should be returned by mail in the return envelope before 12<sup>th</sup> of March 2004 to:

Mid-term evaluation of the SAPARD Programme  
Ministry of European Integration  
17 Apolodor Street  
Sector 5, Bucharest

All answers will be handled in confidentiality. Questions related to the questionnaire or the evaluation can be directed to:

Director Eugen Teodorovici, Ministry of European Integration, on phone 3011433, and e-mail Eugen.Teodorovici@mie.ro

*Thank you in advance*

## Background data

### A What is your position?

- (1)  mayor  
(2)  civil servant (municipality)  
(3)  other, please state \_\_\_\_\_

### B How many inhabitants currently live in the...

**Municipality?** **Area affected by the SAPARD project(s)?**

- |   |  |
|---|--|
| (1) <input type="checkbox"/> below 1000       | (8) <input type="checkbox"/> below 250         |
| (2) <input type="checkbox"/> 1001-2500        | (9) <input type="checkbox"/> 251- 500          |
| (3) <input type="checkbox"/> 2501-5,000       | (10) <input type="checkbox"/> 501-1,000        |
| (4) <input type="checkbox"/> 5,001-10,000     | (11) <input type="checkbox"/> 1,001- 2,500     |
| (5) <input type="checkbox"/> 10,001-15,000    | (12) <input type="checkbox"/> 2,501- 5,000     |
| (6) <input type="checkbox"/> 15,001-20,000    | (13) <input type="checkbox"/> 5,001-10,000     |
| (7) <input type="checkbox"/> more than 20,000 | (14) <input type="checkbox"/> more than 10,000 |

### C What has been the development in the number of inhabitants since 2000 in the...

**Municipality?** **Area affected by the SAPARD project?**

- |  |  |
|--|--|
| (1) <input type="checkbox"/> decline of more than 10 %   | (6) <input type="checkbox"/> decline of more than 10 %   |
| (2) <input type="checkbox"/> decline between 1 and 10 %  | (7) <input type="checkbox"/> decline between 1 and 10 %  |
| (3) <input type="checkbox"/> no development              | (8) <input type="checkbox"/> no development              |
| (4) <input type="checkbox"/> increase between 1 and 10 % | (9) <input type="checkbox"/> increase between 1 and 10 % |
| (5) <input type="checkbox"/> increase of more than 10 %  | (10) <input type="checkbox"/> increase of more than 10 % |

### D How large a proportion of the households have their main income from agriculture in the...

**Municipality?** **Area affected by the SAPARD project?**

- |   |  |
|---|--|
| (1) <input type="checkbox"/> up to 5%       | (7) <input type="checkbox"/> up to 5%        |
| (2) <input type="checkbox"/> 6 to 10%       | (8) <input type="checkbox"/> 6 to 10%        |
| (3) <input type="checkbox"/> 11 to 20 %     | (9) <input type="checkbox"/> 11 to 20 %      |
| (4) <input type="checkbox"/> 21 to 30 %     | (10) <input type="checkbox"/> 21 to 30 %     |
| (5) <input type="checkbox"/> 30 to 50 %     | (11) <input type="checkbox"/> 30 to 50 %     |
| (6) <input type="checkbox"/> more than 50 % | (12) <input type="checkbox"/> more than 50 % |

### E How large was the total investments costs of the projects supported by SAPARD?

- |   |  |
|---|--|
| (1) <input type="checkbox"/> 40 – 100 million Lei     | (4) <input type="checkbox"/> 10001 - 20000 million Lei   |
| (2) <input type="checkbox"/> 101 - 1000 million Lei   | (5) <input type="checkbox"/> 20001 - 30000 million Lei   |
| (3) <input type="checkbox"/> 1001 - 10000 million Lei | (6) <input type="checkbox"/> More than 30000 million Lei |

## Evaluation Questions

### 1. What elements did the investment include?

- (1)  Renewal of local roads  
 (2)  Improved water supply  
 (3)  Improved sewerage systems  
 (5)  Other, please state \_\_\_\_\_

### 2. How large a share of the inhabitants has or will have direct access to or utility from the investment?

	None	1-25%	26-50%	51-75%	76-99%	All
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) In the area affected by the SAPARD project(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 3. How many jobs has the supported investment created or safeguarded?

- (1) \_\_\_\_\_ number of people has been able to keep their job because of the investment,  
 (2) -hereof \_\_\_\_\_ number of women  
 (3) \_\_\_\_\_ number of fulltime jobs has been created as a *direct* consequence of the investment,  
 (4) -hereof \_\_\_\_\_ number of jobs for women  
 (5) \_\_\_\_\_ number of fulltime jobs has been created as an *indirect* consequence of the investment,  
 (6) -hereof \_\_\_\_\_ number of jobs for women

### 4. To what extent has the supported investments entailed...

	To a large extent	To a limited extent	Not much	very	Not at all	I know	don't
(1) An increase in the attractiveness of the villages for Individuals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Firms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) An improvement of the quality of life of the inhabitants in the villages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



receiving utility from the investment?

- (3) Prevent depopulation in the villages receiving utility from the investment?

**5. To what extent would you say that the investments were depending on SAPARD support?**

- (1)  to a very large extent  
 (2)  to a limited extent  
 (3)  not very much  
 (4)  not at all  
 (5)  I don't know

**6. How large a share of the investments would have been realised if you had not received SAPARD support?**

- (1)  none of them  
 (2)  1-25 %  
 (3)  26-50 %  
 (4)  51-75 %  
 (5)  76-99 %  
 (6)  all of them

**7. Have the supported investments entailed...**

- |   | Significant improvement  | Limited improvement      | No improvement           | Worse than before the investment | I don't know             |
|---|--------------------------|--------------------------|--------------------------|----------------------------------|--------------------------|
| (1) An improved environmental impact?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>         | <input type="checkbox"/> |
| (2) Improved waste management?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>         | <input type="checkbox"/> |
| (3) A more appealing appearance of the landscape, character of the village etc.?        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>         | <input type="checkbox"/> |
| (4) An improvement in the housing and sanitary conditions                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>         | <input type="checkbox"/> |
| (5) An improvement in the production conditions for agriculture and related activities? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>         | <input type="checkbox"/> |
| (6) An improvement in the investment climate for new businesses?                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>         | <input type="checkbox"/> |
| (7) Better management of available water resources?                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>         | <input type="checkbox"/> |

- (8) Contribution to protection and conservation of environment of area?

## Administration

### 8. How do you find the involvement of the following actors in the administration of the measure?

- |   | Very satisfactory        | Satisfactory             | Unsatisfactory           | Very unsatisfactory      | I don't know             |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (1) The Ministry of Agriculture, Forests, Water and Environment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) The Ministry of Transport, Constructions and Tourism        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) SAPARD Agency   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) Agricultural advisors                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (5) The Ministry of European Integration                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### 9. How do you find the following issues relating to project application?

- |  | Very satisfactory        | Satisfactory             | Unsatisfactory           | Very unsatisfactory      | I don't know             |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (1) Number of calls for application                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) Length of calls for application                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) Amount and adequateness of information available | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) Detail of information required in application    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (5) Requirements of the documents to be provided     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (6) Length of the project selection procedures       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (7) Transparency of the decision process             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**10. What are your main sources of information?**

[Please, mark only three options!]

- (1)  Ministry of Agriculture, Forests, Water and Environment
- (2)  Ministry of Transports, Constructions and Tourism
- (3)  SAPARD Agency
- (4)  Ministry of European Integration
- (5)  Agricultural advisors
- (6)  information leaflets
- (7)  specialised agricultural periodicals
- (8)  general periodicals
- (9)  television
- (10)  Internet
- (11)  other, please state: \_\_\_\_\_

**11. How appropriate do you find the following eligibility criteria for being able to get support?**

	Very appropriate	Appropriate	Inappropriate	Very inappropriate	I don't know
(1) The project shall prove its functional and technical utility through an explanatory statement and feasibility study	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Preparation of investment plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Preparation of an environmental impact assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) The geographical focus of the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) The eligibility criteria in general	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**12. Do you find that the administration of the support is suitable?**

It's very suitable	It's suitable	It's unsuitable	It's very unsuitable	I don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**13. Do you have any additional comments or recommendations regarding the design or administration of the measure?**

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*Thank you very much!!!*