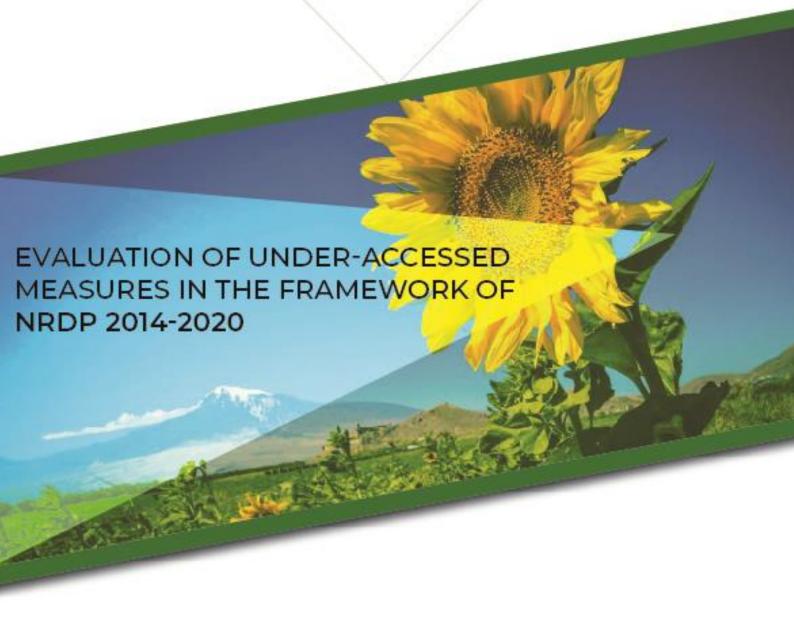


# EVALUATION STUDY

2019









The study was conducted by **S.C QURES Quality Research and Support S.R.L**. The evaluation team consisted of:

#### **Laura TROFIN**

Key expert 1 Team Leader - Specialist in Public interventions evaluation

Vasile Alecsandru STRAT

Key expert 2 – Specialist in Rural development policies evaluation

Irina LONEAN

Non-key expert in qualitative and quantitative data analysis

**Mădălina LEFTER** 

Junior non-key expert in policy and programme evaluation



Adress: Valea Danului Street, No. 42, Sector 6, Bucharest

E-mail: contact@qures.ro Phone: (+) 40 756548823

Fax: (+) 40 318112145

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#### LIST OF ACRONYMS

ADI ITI Danube Delta - Association for Inter-community Development ITI Danube Delta

**AFIR** - Rural Investment Financing Agency

**AIR** - Annual Implementation Report

ANSVSA - National Sanitary Veterinary and Food Safety Authority

APIA - Agency for Payments for Interventions in Agriculture

ASAS - Academy of Agricultural and Forestry Sciences

**AT** - Technical Assistance

**CAP** - Common Agricultural Policy

**CCE** - Evaluation Coordination Committee

**CCME** - Common Monitoring and Evaluation Framework

**CRFIR** - Regional Center for Rural Investment Financing

**CUP** - Single Payment Request

**EAFRD** - European Agricultural Fund for Rural Development

**EC** - European Commission

EGF - European Guarantee Fund

**ENRD** - European Network for Rural Development

**ESIF** - European Structural and Investment Funds

EU - European Union

FGCR - Rural Credit Guarantee Fund

**GAL** - Local Action Group

**INS** - National Institute of Statistics

**LDS** - Local Development Strategy

LEADER - Links between actions for the development of the rural economy / Liaison entre actions de développement de l'économie rurale

**MA** - Managing Authority

MADR - Ministry of Agriculture and Rural Development

MC - Monitoring Committee

ME - Ministry of Environment

**NAEP** - National Agency for Environmental Protection

NGO - Non-Governmental Organization

NRDP - National Rural Development Program

**OJFIR** - County Office for Financing Rural Investment

**RDP** - Rural Development Programme

RNDR - National Rural Development Network

SIDDD - Integrated Strategy for Sustainable Development of the Danube Delta

**SMEs** - Small and Medium Enterprises

**SO** - Standard Production

**SRL** - Limited Liability Company

**SWOT** - Strengths, Weaknesses, Opportunities and Threats

ToR - Terms of Reference

**UAT** - Territorial Administrative Unit

#### **EXECUTIVE SUMMARY**

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

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

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

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

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

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

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

The public allocation of NRDP 2014-2020 for these (sub) measures amounts to 1,435,565,280 euro, representing approximately 15% of the total allocated funds. Only under sub-measures 1.1, 2.1, 4.2a, 6.3 ITI, 6.5, 9.1 were projects under implementation at the cut-off date of the evaluation (October 2018). For Measure 10, payments in the amount of 158,475,835 euro (15% of the available public allocation of Measure 10) were made in October 2018.

It is important to underline that all measures analyzed are largely relevant, therefore they correspond to needs (territorial/environmental, of potential beneficiaries), so their implementation is still necessary in order to achieve the objectives set by NRDP. The causes that led to poor access to these measures are

multiple, specific to the sub-measures themselves, transversal (affecting several or all of the measures under consideration) or context-related (out of control of the MA NRDP). The challenges relate more to interventions' logic, the capacity of potential beneficiaries, procedures applied and interventions' context.

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

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

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

- Delays in launching calls for projects raising general challenges in absorbing available funds, but also in terms of strategic planning and coordination between the implementation process of synergic sub-measures (e.g. Measure 1 and 2, on the one hand, and beneficiary measures (6.1, 6.3, 10) on the other hand) or in correlation (Measure 4.1a and other measures in the fruit sector or (sub) measure 2.1 and 9.1/9.1a with regard to counseling for the establishment and development of associative forms in the agricultural sector).
- Recent measures taken by MADR for potential beneficiaries to benefit from more advantageous loans are delayed, provided that co-financing by means of loans at reasonable costs is a major challenge that contributes to the decrease in the attractiveness of the NRDP. However, we need to uinderline here that Romania is one of the few Member States puting in place such measures.

- Late/insufficient capacity of the institutions involved to prepare and manage the process of submission, evaluation and selection of single payment/project applications at the level of human resources (training and efficiency/increase in staffing) or technical (creation technical solutions for newly introduced measures/packages), especially in the case of new (sub) measures or (sub) measures implemented for the first time. This capacity is also needed in the form of MA / AFIR / APIA expertise centers for specific agricultural sub-sectors (e.g. fruit sector, beekeeping, planned and future programming, animal husbandry, agronomy, horticulture, economic engineering in agriculture) but also for strategic analysis and planning, especially if we take into account the insufficient specific expertise available in Romania (as the evaluation of sub-measure 2.1 revealed).
- Lack of a unitary, country-wide, safe Online Agriculture Register.

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

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

A key challenge in the implementation phase is the analysis of the technical blueprints, which is also lengthy. The timeline of payment requests (including for for investment projects) were, to a large extent, in line with the expectations of the beneficiaries. However, there have been delays in processing payment claims and making payments, also due to the fact that beneficiaries need more guidance on how to prepare these requests The ability to request an advance greatly facilitates the implementation process.

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

The simplified approach of "standard unitary cost" (following the example of sub-measure 1.1 but also of Measures 8, 10 and 15, where it takes the form of compensatory payment) leads to streamlining the implementation process both from the beneficiary's perspective and from the perspective of MA/AFIR/APIA. Although in the case of several measures and all the analyzed phases the NRDP procedures are

considered partially bureaucratic, the number of documents that could be removed at this time is limited. On the one hand, the Managing Authority/AFIR/APIA already took many simplification measures (accessing existing databases for obtaining certain documents - ONRC, ANAF, on-line applications) and beneficiaries and non-beneficiaries (potential beneficiaries and rejected applicants) recognize that it is necessary to submit supporting documents for substantiating the application for funding and payment. On the other hand, it is necessary to use the possibility of requesting clarifications and minimizing the removal from the evaluation procedure of good quality projects on "form" grounds (e.g. failure to send a document exactly in the form requested, for example the bank identification form).

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

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

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

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

**Recommendation 3.** At the same time, it is imperative that for the newly introduced measures (compared to the previous programming period), but also the measures involving third parties (such as the Forestry Monitoring Service), more comprehensive consultations with the involved actors (especially potential beneficiaries) is conducted, before launching them, in order to test the feasibility of their implementation (realism and attractiveness of the expected financing conditions, including the amount of the compensatory payments or the grant). These consultations could be carried out within/through thematic groups, which should play a more prominent role in monitoring the expected/achieved outcomes, in addition to focusing on operational issues (e.g. improving evaluation and selection criteria). This recommendation is more important for the Fruit Sector Thematic Group.

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

**Recommendation 5.** New calls for projects (if taken into account), especially for measures involving complex projects (i.e. under which works are undertaken), should be launched in the very near future to ensure that the selected projects are completed on time. In this context, calls and related documentation should also contain substantial information on the MADR loan facilities recently launched by MADR in

partnership with the EIF, so that potential beneficiaries can provide the requested co-financing. At the same time, calls should be accompanied by promotional actions aimed specifically and actively (through face-to-face meetings with potential beneficiaries) at stakeholders in the fruit sector (processors in the case of 4.2a).

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

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

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

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

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

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

#### CHAPTER 1. INTRODUCTION

#### 1.1. The object of the final evaluation study

#### The objectives of the final evaluation study

This document represents the Final evaluation study developed under the project *Evaluation of under-accessed measures under the NRDP 2014-2020.* The evaluation is performed under a service contract whose beneficiary is the General Directorate for Rural Development - Managing Authority for the National Rural Development Programme 2014-2020 of the Ministry of Agriculture and Rural Development and implemented by a team of experts managed by QURES Quality Research and Support.

The object of the evaluation study is to present the outcomes of the analyses performed, formulate the responses to each evaluation question (based on the methodology applied for this purpose), as well as the conclusions and recommendations grounded in the findings and evidences gathered.

In order to prepare this evaluation study, QURES has completed the four methodological phases of an evaluation, namely **1 - STRUCTURING**, **2 - OBSERVATION**, **3 - ANALYSIS** and **4 - EVALUATION**.

#### The scope of the evaluation report

The evaluation is intended to show the progress and achievements under the NRDP 2014-2020 as well as to contribute to a better targeting of rural development support and to support its implementation process so that all stakeholders can get information likely to add value to the process of implementing such projects funded under rural development measures.

In this context, the main stakeholders benefiting from the results of this evaluation are the institutions and structures ensuring the implementation of the European Agricultural Fund for Rural Development (EAFRD) under the National Program for Rural Development:

- The Ministry of Agriculture and Rural Development (MADR), through the General Directorate for Rural Development, fulfils the role of Managing Authority for NRDP.
- The Agency for Rural Investment Financing (AFIR)<sup>1</sup> acting as Paying Authority, ensuring the technical and financial implementation of all NRDP funding measures, except those for areas facing natural constraints (ANC)<sup>2</sup>.
- Agency for Payments and Intervention in Agriculture (APIA) that fulfils the role of Delegated Body<sup>3</sup>.
- NRDP 2014-2020 Monitoring Committee.
- Other Directorates within the Ministry of Agriculture and Rural Development

The findings, conclusions and recommendations issued in this evaluation study support decisions to be taken by stakeholders on the ways, proposals and strategies likely to improve the implementation of underaccessed measures and of the NRDP 2014-2020 on the whole.

#### 1.2. The structure of the evaluation report

In compliance with the specifications of the Terms of Reference and the provisions of the Initial Activity

<sup>&</sup>lt;sup>1</sup> The Regulation on the Organization and Operation of the Agency for Rural Investment Financing.

<sup>&</sup>lt;sup>2</sup> Government Emergency Ordinance no. 41 as of 18 June 2014 on the establishment, organization and functioning of the Agency for Rural Investment Financing through the reorganization of the Paying Agency for Rural Development and Fisheries (APDRP), approved by Law 43 AS of 17 March 2015.

<sup>&</sup>lt;sup>3</sup> Order no. 1768 / R as of 29.10.2018 on the approval of the Regulation on the Organization and Functioning of the central body of the Agency for Payments and Intervention in Agriculture, available at <a href="http://www.apia.org.ro/files/pages-files/rof-aparat\_central\_oct\_2018.pdf">http://www.apia.org.ro/files/pages-files/rof-aparat\_central\_oct\_2018.pdf</a>.

Report, the final evaluation report includes, in addition to the Executive Summary and this introductory chapter (Chapter 1), the following:

- *Cha*pter 2. The context of evaluation, briefly presenting the motivation and objectives of the evaluation as well as the evaluation questions;
- *Chapter* 3. The evaluation methodology, briefly presenting the methods applied for the collection and analysis of the evaluation data;
- Chapter 4 presents the findings of the evaluation as responses to each evaluation question, based on the evidence collected, for each (sub) measure analysed.
- *Chapter* 5 summarizes the conclusions and recommendations of the evaluation study, based on the findings.

#### **CHAPTER 2. THE CONTEXT OF EVALUATION**

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

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

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

The National Rural Development Programme (NRDP) 2014-2020 focuses on 14 rural development measures, with a financial allocation of 9.363 billion Euro, addressing identified needs based on socioeconomic and environmental analysis and SWOT analysis of the Romanian rural area and shows the directions of action in the development of the Romanian agriculture and the Romanian village, while complying with the provisions of Regulation no. 1305/2013 on support provided for rural development from the EAFRD and the European Commission framework documents (COM).

In compliance with the provisions of the European regulations, the Managing Authority (MA) of the NRDP is responsible for the implementation of the Programme Evaluation Multi-Annual Plan, in order to prove the progress and achievements of the rural development policy, as well as to contribute to the better targeting of rural development support<sup>4</sup>. In this context, in the 2014-2020 programming period, the implementation of the NRDP 2014-2020 is subject to evaluation by the NRDP Managing Authority (NRDP MA) in order to verify the performance against the aimed targets, so that stakeholders can get information likely to add value to the process of implementing such projects funded under rural development measures.

Thus, for an improvement in the programme implementation, the Evaluation Plan for 2017 provides for the evaluation of under-accessed measures under the NRDP 2014-2020 by experts who are functionally independent from the authorities responsible for the implementation of the programme.

#### The project objective

The overall objective of the project is to carry out an evaluation study on the identification of the measures under NRDP 2014-2020 which had been less accessed before this evaluation project was prepared, identifying the causes leading to their poor accession, and the ways, proposals and strategies to improve the implementation of under-implemented measures and of the NRDP 2014-2020 as a whole.

#### The expected outcomes of the project

According to the awarding documentation, as well as the technical proposal and the Initial Activity Report, the expected outcomes of the evaluation project are the following:

- 1. To identify the measures under the NRDP 2014-2020 which have been under-accessed by reporting the submission rate to the session-related allocation, in comparison with other measures.
- 2. To identify and analyse the causes, reasons, deficiencies in the programming and implementation documents (forms, conditions, requirements, etc.), administrative procedures that have generated a low level in accessing the measures under NRDP 2014-2020.

<sup>&</sup>lt;sup>4</sup> Regulation (EU) no. 1305/2013 of the European Parliament and of the Council as of 17 December 2013 on the support provided for rural development under the European Agricultural Fund for Rural Development (EAFRD) and on the repeal of Regulation (EC) no. 1698/2005 of the Council.

- 3. To identify the attractiveness of measures under the NRDP 2014-2020. The evaluation must take into account the views of all stakeholders: NRDP MA, paying agencies, beneficiaries / non-beneficiaries, the consultancy sector.
- 4. To issue strategies, recommendations, proposals to improve the level of accessing the measures under the NRDP and the implementation of the NRDP 2014-2020 as a whole.

#### **Evaluation questions**

The evaluation was based on the following questions:

- 1. What are the measures under the NRDP 2014-2020 which have had the lowest level of submission?
- 2. What are the reasons determining some measures under the NRDP to be under-accessed?
- 3. What are the improvements needed regarding the programme, the procedure for accessing NRDP measures or the national legislation related thereto so as to increase the level of accessing measures under the NRDP?
- 4. Which phases (submission, evaluation, contracting, and implementation) have created most problems in accessing measures among beneficiaries?
- 5. What are the conditions / documents / information / etc. which should be removed / improved during the programming / implementation phase so that the problems beneficiaries face with when accessing the European funds shall be diminished in the future programming period?
- 6. To what extent did the information made available by the Managing Authority and the Paying Agencies provide sufficient knowledge about the European funds development and implementation mechanisms to enable beneficiaries to access them?

#### CHAPTER 3. THE METHODOLOGY OF EVALUATION

In compliance with the Terms of Reference and the Initial Activity Report, a mix of quantitative and qualitative methods was used to perform this evaluation based on the assessment matrix developed in the initial period that ensured the triangulation of data/evidence and therefore the accuracy of findings, conclusions and recommendations.

A first instrument used was the *analysis of documents*, performed both on a general/NRDP level, as well as the financing procedures/mechanisms which were used, and for every (sub) measure/ project analysed in depth. The analysis of the documents was initiated in the initial phase, i.e. structuring, and completed/finished in the analysis and evaluation phases.

A second important / main instrument applied was the *interview conducted on a large scale*, to meet the requirements of the Terms of Reference, namely: "The analysis shall take into account the views of all parties involved: the NRDP, paying agencies, the beneficiaries / non-beneficiaries, the consultancy sector". Thus, the table below will briefly show the interviews conducted. Annex 1 includes all the institutions and their representatives participating in the interviews.

Table 1. Interviews planned and performed

PLANNED	TARGET GROUP	PERFORMED : 72 interviews
• Approximately 44 interviews for submeasure/package starting from the assumption that we conduct an interview with the technical representatives of MA (Managing Authority)/APIA/AFIR for each sub-measure	TARGET GROUP  MA (for each sub-measure)  AFIR (for each sub-measure)  APIA (for each sub-measure/package)  Applicants (rejected or still under selection procedure) (1.2, 15.1)  Beneficiaries (1.1, 2.1, 4.2a, 6.3, 6.5, 8.1, 9.1, 10)  Potential beneficiaries (eligible beneficiaries that did not apply) (4.2a ITI)  ADI ITI Danube Delta  Internal Forestry Monitoring Service Bucharest  CRFIR, OJFIR (County Office for Rural Investment Financing), APIA county centres Bucharest and Tulcea	Yes (13 interviews)*  Yes (9 interviews)* Yes (3 interviews) Yes (5 interviews – out of which 2 interviews are additional)  Yes (20 interviews – out of which 12 interviews are additional)  Yes (7 interviews – out of which 6 interviews are additional)  Yes (1 interview)  Yes (1 interview)  Yes (7 interviews, 4 planned, 3 additional)  In addition, 4 more interviews were conducted with APIA county centres,
		GAL Dobrogea de Nord and "Milvus Group" - Bird and Nature Protection Association.**
• 8 horizontal interviews	The League of Associations of Agricultural Producers in Romania ADEPT Saschiz (measure 10) NOSTRA SILVA (measure 8.1 and 15.1.) WWF (measure 15.1.) Association of Management Consultants in Romania (AMCOR)	Only 5 national interviews were conducted because their added value was considered insufficient due to their overall characteristics. Additional interviews at measure level facilitated the collection of all necessary (relevant) data.

<sup>\*</sup> In some cases the same representative provided interviews for more measures.

The data thus collected (through documentation and interviews) were supplemented and triangulated by information provided by the *surveys* applied among the applicants and beneficiaries of sub-measures: 1.1, 4.2a, 6.3 ITI and among the consultants. The response rate in surveys differs according to the aimed target

<sup>\*\*</sup> Additional interviews are highlighted in the Table in Annex 1 of Final activity report.

group. In the case of survey conducted among training providers (beneficiaries of sub measure 1.1), the response rate<sup>5</sup> is 94%. In the case of surveys conducted among farmers (beneficiaries of sub-measures 4.2a and 6.3 ITI), the response rates are 46% and 47%, respectively, sufficient for the data provided to be triangulated with those collected from other sources.

**Table 2. Response rate for on-line surveys** 

Sub-measure Number of people receiving the questionnaire		Number of respondents	Response rate
Sub measure 1.1	34 (28 beneficiaries + 6 rejected applicants)	32	94%
Sub measure 4.2a	15 (beneficiaries)	7	46%
Sub measure 6.3 ITI	91 (beneficiaries)	42	47%

As regards the survey conducted among consultants, the overall population or the response rate cannot be calculated given that it was applied through multipliers, members of the AMCOR. In this context, we could not contact potential respondents by telephone, but 24 consultants responded to the survey. Considering the high number of interviews conducted, the data collected in this fourth survey were triangulated with the evidence collected at each sub (measure) level.

The same purpose (triangulation of information) was envisaged by the three focus groups organized with ITI beneficiaries (given that two of the under-accessed measures are being implemented in this area), with the representatives of the fruit sector (given that two the under-accessed measures are part of the strategy in this sector, the sub-strategy of the NRDP) and with the consultants' representatives (starting from the assumption made in the initial period that in many cases the consultants know technical details better than the beneficiaries themselves). The participants in these focus groups are presented in Annex 1 of Final activity report.

The analysis was more in-depth in 6 short case studies performed for beneficiaries / applicants of sub-measures 1.1, 4.2.a, 6.3 ITI, 6.5, package 9 of Measure 10. The collection of information in this methodological approach was based on the interview method carried out with the beneficiary / applicant and the related documents.

Table 3. Selected case studies

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Crt. No.	Sub-measure	Beneficiary	Project title
1.	Sub measure 1.1 "Support for vocational training and skills acquisition actions"	SC. REDIS Consult SRL (Rejected applicant)	The acquisition of skills for farmers having commitments in measure 10 – Centre area
2.	Sub-measure 4.2a "Investments for processing/marketing of agricultural products	S.C. ORLANDO IMPORT EXPORT 2001 SRL	Developing and modernizing the processing capacity within the S.C. ORLANDO IMPORT EXPORT 2001 S.R.L.
3.	Sub-measure 6.3 "Business start-up aid for development of small farms" - ITI Danube Delta	STEAFAN I STOEAN SOLE PARTNERSHIP	ŞTEFAN I. STOEAN I.I. The cultivation of vegetables and cereals in Lunca Village

<sup>&</sup>lt;sup>5</sup> The response rate was calculated by reference to the number of responses obtained from the total number of questionnaires conducted, but they were sent to all beneficiaries of the relevant measure (as it was a survey and not a poll).

4.	Sub-measure 6.5 "The small farmers scheme	Eugen Stroe – Beneficiary	Transfer of land exploitation ownership in Ileana and Sărulești localities, Calarasi county, from Stroe Petrica Eugen to Stroe Toma Cristian
5.	Measure 10 "Agri- environment and climate	Association of producers Sita Buzaului, Covasna county	The Association of producers Sita Buzaului, Covasna county
6.	Sub-measure 15.1 "Payments for forest- environment commitments"	ROMFOR SUSTAINABLE FORESTRY S.R.L	ROMFOR SUSTAINABLE FORESTRY S.R.L

## CHAPTER 4. EVALUATION FINDINGS. THE RESPONSE TO EACH EVALUATION QUESTION

#### The most under – accessed measures under NRDP 2014-2020 (EQ 1)

For the selection of under-accessed measures / sub-measures under the National Rural Development Programme 2014-2020, the database of all project submission sessions was used up to 11 October 2018. This database was made available by the Programme Managing Authority.

The following phased methodology was used for selecting the under-accessed measures:

#### 1. Building the matrix database structure.

In order to identify the under-accessed measures and sub-measures, a database of aggregated values at measure and sub-measure level was built, depending on the launch of the submission sessions.

The list of variables used is as follows:

- 1. Current number
- 2. Measure / Sub measure
- 3. Allocation (for call / calls, not the national one, the allocation at sub-measure level)
- 4. Submission
- 5. Selection
- 6. Payments
- 7. Submission rate
- 8. Selection rate
- 9. Payment Rate
- 10. Pay-out rate

## 2. Entering values in the database resulting from the aggregation of measures/submeasures related values, for all submission sessions.

Using the structure created during the previous phase, each measure / sub-measure for which at least one project submission session took place, was included as a separate line in the Table. For the measures / sub-measures that had multiple submission sessions over the analysed period, only one line was included in which the values of the variables were calculated by summing the relevant values for each submission session.

The final database included 37 measures and sub-measures, including those covering ITI area.

## 3. Calculating the derived indicators: submission rate, selection rate, payment rate, payout rate.

The 4 derived indicators were calculated in terms of rates, based on mathematical formulas.

#### 4. Ordering the measures in descending order, depending on the selection rate.

The complete database was ordered in descending order, depending on the selection rate.

#### **5.** Calculating the distribution quartiles according to the selection rate

The following values were calculated for the database in descending order: the median value, the value of the quartile 1 and the value of the quartile 3. The median value is 49.77%, related to measure 16.4. Thus, half of the measures studied had a minimum selection rate of 49.77%. The value of quantile 3 is 83.00%, related to measure 6.1 ITI. Thus, a quarter of the measures surveyed had a minimum rate of selection of 83.00%.

The value of the quantile 1 is 6.47% for measure 8.1. Thus, a quarter of the measures surveyed had a maximum selection rate of 6.47%.

### 6. Identifying certain homogeneous groups of measures, depending on the selection rate and the submission rate

Within the database, the measures / sub-measures were grouped in homogeneous classes, depending on the selection rate and then, where necessary, depending on the submission rate.

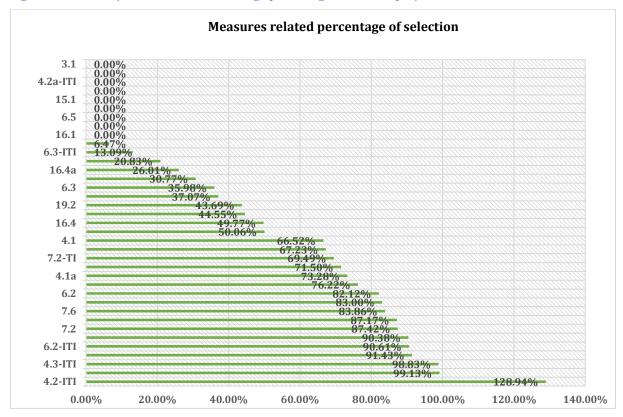
- Class A Includes 19 measures/sub measures, with a selection rate over 49.77%.
- Class B Includes 9 measures/sub measures, with a selection rate over 6.47%.
- Class C Includes 2 measures/sub measures, with a selection rate of 0%, but with submission rates of 734.97%, respectively 531.98%.
- Class D Includes 4 measures/sub measures, with a selection rate of 0%, and with submission rates between 0.05% and 5.67%.
- Class E Includes 3 measures/sub measures, with a selection rate of 0%, and with submission rates of 0%.

#### 7. Selecting under- accessed measures and sub measures

The under-accessed measures / sub-measures most relevant for analysis are those of Class E, Class D, Class C and the last measures in Class B, which have a submission rate below 20%.

These measures/sub-measures are the following: 6.3-ITI, 8.1, 16.1, 16.1a, 6.5, 1.2, 15.1, 19.3, 4.2a-ITI, 9.1a, 3.1.

Figure 1. Measures / sub-measures with a high percentage of selected projects



Source: the authors based on the data provided by NRDP MA

## 8. Preparing the final list with under- accessed measures and sub measures for achieving the object of the analysis.

Following the discussions and interviews conducted in the initial phase with the representatives of the MA, AFIR and APIA, when the selection by quantitative methods was triangulated / validated, the present evaluation will cover the following measures / sub-measures / packages:

- 1) Sub-measure 1.1 "Support for vocational training and skills acquisition actions" (ranked the 26<sup>th</sup>, among the first ones in category B, with a selection rate of 20% but a very low payment rate 0,44%; confirmed during interviews as a under- accessed measure but highly important for the following programming period)
- 2) Sub-measure 1.2 "Support for demonstration projects/information actions" (in category D, with very low submission and selection rates)
- 3) Sub-measure 2.1 " Support to help benefitting from the use of advisory services" (which has a different implementation mechanism by public procurement; confirmed during interviews as a poorly accessed but very important measure for the future programming period)
- 4) Sub-measure 3.1 "Support for new participation in Quality Schemes" (in category E, the weakliest accessed measures)
- 5) Sub-measure 4.2a "Investments for processing/marketing of agricultural products" (including the GBER state aid scheme and minimis aid) (ranked the 24th, among the last in category B, with a selection rate of 30% but with a very low payment rate 2,09%; confirmed during the interviews as a under- accessed measure but highly important for the next programming period; the causes determining the non-accession of the GBER state aid schemes and state aid shall be analysed in depth)
- 6) Sub-measure 4.2a "Investments for processing/marketing of agricultural products" ITI Danube Delta (in category E, of the weakliest accessed measures)
- 7) Sub-measure 6.3 "Business start-up aid for development of small farms" ITI Danube Delta (ranked the 27th, among the last in category B, with a selection rate of 30% but with a very low payment rate below 10%; confirmed during the interviews as a under- accessed measure but highly important for the next programming period)
- 8) Sub-measure 6.5 "The small farmers scheme" (in category D, actually with a submission and selection rate close to 0%)
- 9) Sub-measure 8.1 "Support for afforestation/creation of woodland" (ranked the 28th, the last one in category B, with a selection rate of 11% but with a payment rate of 0%;)
- 10) Sub-measure 9.1 "Establishment of producer groups" (ranked the 22<sup>nd</sup>, among the last in category B, with a selection rate of 37% but with a very low payment rate −12%; confirmed during the interviews as a under- accessed measure but highly important for the next programming period)
- 11) Sub-measure 9.1a "Establishment of producer groups in the fruit-growing sector" (in category D, actually with a submission and selection rate close to 0%)
- 12) Measure 10 "Agri-environment and climate (packages 5, 9, 10, and 11) (confirmed during the interviews as packages with a weak accession rate)
- 13) Sub-measure 15.1 "Payments for forest-environment commitments" (in category D, actually with a submission and selection rate close to 0%)

# The causes determining the weak accession of certain measures under the NRDP (EQ 2)

#### Sub-measure 1.1 "Support for vocational training and skills acquisition actions"

Sub-measure 1.1 Support for vocational training and skills acquisition actions is appreciated as being relevant to a large extent, as all the actors interviewed about this sub-measure (the representatives of the NRDP MA within MADR, AFIR representatives, members of the NRDP MC active in the field of consultancy) agreed that this measure meets to a large extent the needs of potential beneficiaries.

This sub-measure was included in the Programme from the outset, but, meanwhile, it has undergone some adjustments, in the sense that, in the fifth amendment of the programme, a new type of support has been introduced – standard unit costs – an aspect contributing to an efficient use of the European funds and to reducing the administrative burden. Also, the human resources involved in the management of the

European funds can focus more on achieving the measure objectives, thus reducing the time spent on collecting and verifying financial documents and determining a simplification of the means of paying the eligible expenditure for training projects<sup>6</sup>.

In this respect, for the calculation of the standard unit cost, a calculation methodology was developed at the MADR level which was certified by the Ministry of Regional Development, Public Administration and European Funds. The methodology was based on a number of cost elements, in accordance with the eligible expenditure covering the preparation and conduct of the training activities established under the NRDP 2014-2020

In addition, this change has also brought some adjustments to the sub-measure sheet in order to ensure consistency in implementation. In this regard, considering the fact that the vocational experience of staff represents a selection principle, the condition related to "Vocational experience in at least one project, in line with the course topic", has been eliminated, since it does not represent a mandatory condition, but only a tie-break criterion.

The information collected in the survey conducted among vocational training providers, those who signed the funding agreements under this sub-measure, but also those who submitted financing applications, highlight to a large extent (63%) the fact that the target group addressed by this sub-measure needs training. Thus, the sub-measure is designed to improve the basic skills and knowledge through vocational training and knowledge acquisition among farmers (especially young farmers benefiting of support under sub-measure 6.1, farmers who operates on small farms and will benefit of support under sub-measure 6.3 and beneficiaries of the agri-environment and climate measure - measure 10).

However, a number of impediments resulted in the under-accession of the sub-measure, i.e. the contracting of only 38 projects (29%) of the 130 which were selected, out of a total of 324 projects submitted, within 3 calls for projects proposals:

- Call for project proposals No. 1/2016 Vocational training for farmers with commitments in measure 10 Agri-environment and climate<sup>7</sup>.
- Call for project proposals No. 2/2016- Vocational training for farmers, in particular beneficiaries benefiting of support under sub-measures 6.1 and 6.38.
- Call for the registration of vocational training providers for inclusion in the "Register of vocational training providers" and the selection of Financing applications submitted under sub-measure 1.1 "Support for vocational training and skills acquisition actions" by using the standard unit cost as of 14 February 2018. The call was launched on 29 December 2017 Support for vocational training and skills acquisition actions by using standard unit costs.

Nevertheless, the results of the survey launched among the training providers (applicants and beneficiaries) confirm that, for 62% of respondents, it was easy to access this sub-measure, considering the fulfilment of the requirements in the applicant guidelines and in terms of preparing the financing application. The second aspect was also confirmed in the interviews conducted among the beneficiaries who concluded contracts under sub-measure 1.1.

The factors contributing to a weak accession of sub-measure 1.1 depend, on the one hand, on the difficulty of identifying the target group covered by the documentation of the 3 calls, and on the other hand, on the failure to fulfil certain conditions and eligibility criteria for benefiting of support. In addition, the interviews conducted with some beneficiaries and non-beneficiaries highlighted the fact that the evaluation, selection and contracting period takes quite a long time, which leads, implicitly, to difficulties in identifying the final potential beneficiaries of the training, which address other training providers (for a fee).

<sup>6</sup> NRDP 2014-2020, Version approved on June 30, 2017.

<sup>7 (</sup>Extended call until 03.10.2016).

<sup>8</sup> (Extended call until 31.01.2017).

Thus, among the main key factors determining the weak accession of sub-measure 1.1 the following are included:

- The identification of the target group was a common problem among training providers. They received the databases (AFIR) with the contact details of registered individuals (farmers with commitments in measure 10 agri-environment and climate). However, the data collected in this evaluation highlights the fact that they did not include full information about the target group as they are not constantly updated. In addition, all contracted training providers received the same list of potential training beneficiaries/farmers, making it difficult to avoid such situations when the same farmer was contacted by several firms (which leads to cost inefficiency). When projects were being implemented, there were many individuals in the target group who had already taken training courses within the Agricultural Directorates or with various vocational training providers on the market (for a fee), so that they could fulfil their commitments within the contractual deadlines.
- Maintaining the target group in the project throughout the training sessions has been identified as an issue influencing the implementation of projects. Given that there is no mechanism to condition the participation in training courses (throughout the entire period), the interviews have highlighted the fact that beneficiaries have faced the need to replace certain participants, in order to fulfil the minimum number they had undertaken to train. In addition, such amendments had to be made by drawing up an addendum.
- In addition, another factor identified refers to the length of the evaluation selection contracting period, which, according to the interviews and the survey carried out, clearly influenced the identification of the target group. For example, one of the interviewed beneficiaries submitted two projects in January 2017 and was selected in December 2017, and in March 2018 he had to sign the financing contracts. Because of the long evaluation selection contracting period, he completed the implementation of projects (provision of training courses) in December 2018. This long period is due to the process of rechecking eligibility conditions and selection criteria under AFIR (according to the Manual of procedures for the implementation of Measure 1-"Knowledge transfer and information actions" of AFIR) for contracting.
- Another element considered as an obstacle to the submission/contracting of projects within the call for the registration of vocational training providers for inclusion in the "Register of vocational training providers" as well as the selection of financing applications submitted under sub-measure 1.1 "Support for vocational training and skills acquisition actions", using the standard unit cost) is the non-compliance with the deadline for documents uploading according to the Applicant's Guide (30 days after the publication of the selection report). Another element is the fact that no attendant of the courses submitted under the project and no compulsory documents relating to each participant to the courses were uploaded on the platform. Likewise, neglecting the financing application was another reason, as well as the failure to comply with the deadline for uploading the target group documents and the company's documents for contracting, but also the failure to comply with the deadline for uploading the documents of the participants and the documents concerning the training provider and partners. In addition, the failure to upload the financial resources related documents and the neglect of the financing application have been identified as being part of the causes that represented the barriers against contracting potential beneficiaries.
- The request in the Applicant's Guide to submit the list of individuals proposed to be trained under the projects in the system (on the platform) within 30 days since the selection report is displayed. "After completing the selection phase of financing applications on the platform, the training providers and their selected projects (...) will be mentioned at the bulletin board. Vocational training providers can contact the beneficiaries to be found on these lists to establish groups of learners. Within no more than 30 working days since the list with selected projects is published (....), the provider shall notify AFIR about the actual number of learners who have confirmed their participation". Thus, the information gathered in the interviews conducted among the training providers that were selected and who signed the financing contracts, highlighted that they, either

had difficulties in identifying the target group in the period of time available or had to terminate the contracts due to the low capacity of identifying the minimum target group mentioned in the financing applications.

- Although the eligibility criteria have been established within the Monitoring Committee and are necessary and relevant conditions for proving the eligibility of an applicant that will access European funds to provide vocational training activities, certain eligibility criteria for granting support could not be met by the training providers applying in call 1 and 2. According to the selection reports, in the case of call 1, the eligibility criterion most difficult to fulfil refers to the scope of activity (EG 3. The applicant has activities specific to the field of vocational training included in his/her scope of activity) followed by criterion EG5 (The applicant proves the relevant previous experience in vocational training projects) followed by EG 6 (The applicant has technical and financial capacity necessary to carry out specific vocational training activities). Failure to fulfil these criteria determined the projects to be evaluated as ineligible projects. On the other hand, in call 2, projects were mainly declared as ineligible because of the failure to fulfil the EC 5 criterion (The applicant proves the relevant previous experience in vocational training projects), followed by the criterion EG 6 (The applicant has the technical and financial capacity necessary to carry out specific vocational training activities), and EG 4 (The applicant has his own qualified or co-opted staff).
- Considering the eligibility criterion for the proposal of qualified staff, as well as the requested documents<sup>9</sup>, the interviews conducted with professional training providers acting as both applicants and contractors highlighted the fact that this criterion was difficult to be achieved, especially considering the fact that it was quite difficult to involve educational institutions, and, implicitly, the staff thereof, as partners in the project. The reduced involvement of teachers is mainly due to the unattractive/low trainers' salaries, correlated with the offer made by the trainer for the implementation of the project. In addition, according to the applicant's guidelines, there are two possible versions for the remuneration of the staff involved in the project, which is not very appreciated by the teachers.
  - 1. Experts involved in the implementation of projects may be employed based on an individual employment contract, in accordance with the provisions of the Labour Code, in which case the payment of their salaries is eligible. In this case, these experts are exclusively natural persons. The eligibility for financial aid covers the expenditure incurred with all duties and taxes related to the salaries of the staff employed by the provider based on an employment contract, provided that they are paid only for the days actually worked as expert for the project.
  - 2. The beneficiary may contract the specialised services on the basis of service agreements with registered sole trader/sole partnership, in which case the payment will be made against an invoice. In this case, the payment of contributions to the public budget shall be the responsibility of the expert who provided that service (registered sole trader or sole

Certificate of trainer / certificate proving that he / she is in a teaching position in a high school, vocational, professional or technical education or a certificate proving that he/she is a teacher in higher education - assistant / lecturer/lecturer/associate professor/ university professor to certify the length of service and the subjects taught to teachers;

Copy of the bachelor's diploma of each training, complying with the specializations of the activities related to courses delivered under the project;

Teachers do not need to show a copy of the bachelor's degree for the subjects they teach in the education system. For the teaching of subjects, other than those taught in the education system, they will show a copy of the bachelor's degree. CVs including the signature and the clear names of the trainers and teachers, likely to show the similar experience in at least one project;

Certificate / any other type of assimilated document certifying the participation of training experts to trainings (courses, conferences, seminars, symposiums, etc.) in the last three years in the field of activity for which they are proposed; or a statement obliging the training experts to follow this type of training mentioned above in the field of activity for which they are proposed in the project, a form of training that has to be completed before signing the financing contract.

 $<sup>^{9}</sup>$  List of staff involved in the project specifying the activities to be carried out by each training expert who has been proposed

Availability declarations for all training experts involved in the project;

partnership). The expenses incurred as fees and taxes for the fees charged shall be eligible. The fees of the experts involved in the implementation of the project include transport, accommodation and lunch costs.

- Another criterion causing problems to project implementation relates to the principle of efficient and accelerated implementation of the project. To achieve a 10-point score, some of the providers/beneficiaries committed to implementing the project in a maximum of 75% of the maximum implementation time set for a project. In practice, some of the activities were more difficult to implement because of factors related to, in some cases, public procurement process (service providers), which were not very easily selected. Hence, the implementation period passed quickly and, as a result, it was necessary to extend it, by concluding addenda to contracts <sup>10</sup>. Thus, this principle allowed, to a very small extent (27%), the selection of the most performant projects (projects that achieved their objectives without delay).
- Another difficulty identified by the providers refers to the necessary (thorough) documentation to be submitted to prove the qualification requirements, especially in the case of public education institutions, which submitted projects, either as project leaders or in partnership with other companies. Both the interviews and the survey conducted among the contracted training providers show the need for a sharp mobilisation of resources to obtain/deliver the necessary documents proving the fulfilment of the requirements laid down by the guide. Furthermore, if projects were submitted in partnership with several partners, the documents were even more difficult to collect.
- The audit of projects may also represent a potential cause which has contributed to the non-attractiveness of this sub-measure. In call 1 and 2, the maximum thresholds laid down are not simplified costs and, therefore, expenditure may be reimbursed only on the basis of supporting documents relating to eligible costs incurred and paid in accordance with payment instructions. In this respect, the interviews conducted highlighted the fact that the submission of all supporting documents to the payment application file was just an additional burden, provided that there is a report on the audit of the project.
- Although it is the requirement of Regulation 1305/2013, art. 43 (4) and article 63, the lack of prefinancing was identified as another cause adversely affecting the attractiveness of that submeasure. The interviews conducted highlighted the idea that training providers had to, during the first phase, ensure the expenditure generated by the identification of the target group, the payments for renting the rooms for the organisation of the first training sessions and other expenses. According to the Applicant's guide concerning the accessing of sub-measure 1.1 " Support for vocational training and skills acquisition actions ", using the unit cost, providers must complete the training activity for at least one group, so as to be able to request reimbursement on the first payment request.
- The technical problems with the on-line platform (functional for projects that have the standard unit cost option) are another case identified both during the interviews conducted with the relevant key actors (NRDP MA) and during the interviews and survey among training providers (beneficiaries). Given that, within no more than 30 working days since the publication of the list with selected projects, providers must notify AFIR on the actual number of learners who have confirmed their participation, by setting up one or more groups of attendants, they must enter a set of documents of the participants on the platform. In this context, a number of difficulties were identified in the sense that documents could only be uploaded on the platform in PDF format (scanned black and white at a resolution of at least 200 dpi). In addition, the very long duration of evaluation/endorsement of the proposed target group contributed to losing the target group aiming at accessing the financing under sub-measures 6.1 and 6.3. According to the interviews conducted with the providers, they were often forced to replace the participants.

<sup>10</sup> The extension of the period by means of an addendum was allowed only if the initial score was maintained. For example, if 75% of the maximum duration was 13.5 months and the financing application provided 10 months of implementation, the addendum could only provide for an extension up to 13.5 months.

#### Sub-measure 1.2 " Support for demonstration projects/information actions"

This sub-measure has undergone some adjustments during the implementation of the NRDP, in the sense that its allocation has been supplemented to better fulfil the needs for training and information actions. Additional allocation has also taken into account the complementarity with national vocational training services, but also the complementarity with the ESF.

In addition, on 30 June 2017<sup>11</sup>, some adjustments were made to the sub-measure in order to ensure consistency in implementation. In this regard, considering the fact that the vocational experience of staff is a selection principle, the condition requiring occupational experience in at least one project, in line with the actions to be organised, was eliminated, since it was not a mandatory condition to fulfil, but only a tie-break criterion. Measures have also been taken to amend the principle of selection, the principle of qualitative and technical level on the course curricula, experience and/or qualification of trainers.<sup>12</sup>. This amendment was necessary to be done for complying with the specificity of sub-measure 1.2, especially with information actions.

Considering the adjustment brought to the programme, on December 2018, which introduced Measure 5 (sub-measure 5.1 and 5.2) and sub-measure 7.4, in the context of the epizootic phenomenon of African Swine Fever, officially recognised by the competent authorities on 31 July 2017, the possibility of financing certain preventive actions under sub-measure 1.2 was identified, by improving knowledge and information through information actions. To that end, amendments were made in the context of the general description of the sub-measure, including its intervention logics, and its contribution to the intervention areas, as well as to the crosswise objectives 13.

The description of the type of operation has also been amended as follows: The aim of the support is to help increase farmers' awareness of plant or animal diseases, agricultural technologies and practices adapted to climate conditions, preventive actions in order to avoid the occurrence of diseases outbreaks, in order to minimise their impact at farm level, the possibility of introducing new innovative technologies, the application of appropriate methods of risk management, developing innovative capacities in the agri-food chain.

In this context, farm visits were introduced as illustrative activities in order to raise farmers 'awareness of the minimum biosecurity measures and food safety norms.

The relevance of sub-measure 1.2 *Support for demonstration projects/information actions* is appreciated as being to a large extent relevant, in the sense that all the actors interviewed (representatives of NRDP MA of the MADR, representatives of the AFIR, members of the NRDP MC, active in the field of consultancy) agreed that this measure meets to a large extent the needs of potential beneficiaries (target group).

Thus, the sub-measure has the potential to encourage the improvement of basic knowledge among farmers/small providers operating in the agri-food sector by extending the scope and supporting other short-term actions, such as illustrative activities and information actions. The sub-measure contributes to increasing the level of awareness of people employed in the agricultural and food sectors, on the specific areas in which they operate as well as on environmental protection or other areas of interest. It also contributes to raising farmers' awareness on the possibility of introducing new innovative technologies, as well as informing farmers about the possibility of accessing mutual funds in order to restructure the production potential.

However, a number of impediments resulted in a weak accession of sub-measure 1.2. By 11 October 2018, the date when this analysis ended, two calls for project proposals had been launched under this sub-

<sup>11</sup> NRDP 2014-2020, Version approved on June 30, 2017.

 $<sup>12\,</sup>$  Modified with the *Principle of qualitative and technical level on the topic of action, course curricula, experience and/or qualification of staff trainers.* 

<sup>13</sup> NRDP-2014-2020, Version 8, aprroved on October 10, 2018.

measure, and in December 2018 the third call was launched, where projects might be submitted until 27 March 2019.

- Call for project proposals No. 1/2018 Information actions for farmers (from 09.08.2018-continuous submission session until the allocated amount is not available).
- Call for project proposals No. 2/2018 Illustrative activities for farmers receiving support under the Organic Agriculture Measure (Measure 11) (09.08.2018-09.11.2018)
- Call for project proposals No. 3/2018 Information actions for farmers on minimum biosecurity measures and food safety rules in pigs farming (27.12.2018 27.03.2019)

The amount allocated under the NRDP 2014-2020 for the implementation of this sub-measure is 11,105,086 euro. As of 28 February 2019, only 7 projects were submitted in the first open call; 6 of the 7 projects submitted were selected, but no project has been contracted yet, because of the enforcement of *Order No. 234 as of 22.03.2019 on the approval of the work instructions no. 254-255, and on amending Order of the Minister of Agriculture and Rural Development No. 795/2016 for the approval of the manual of consolidated procedures of the Rural Investment Financing Agency under NRDP 2014-2020.* 

Among the most important causes generating the weak accession of this sub-measure, according to the interviewed applicants, we mention the vagueness of the applicant's guide, which do not provide much information about the contracting phase, implementation and payments. The Applicant's Guide presents a section on contracting and implementing the project (Chapter 4), but there is no information on the contracting, implementation and payment of projects. On the other hand, it is noted that they will be detailed in the manual for implementation procedures, manual for procurement procedures, manual of procedures for the authorisation of payments, drawn up by AFIR.

Secondly, the selection criteria and principles were difficult to fulfil, for example, principle 1.2 of the applicant's Guide for the first call for proposals, which refers to the presentation in the proposed curriculum of examples of best practices. In addition, the principle related to the topic and the target group, which involves adjusting and detailing the general topics set for meeting the needs of the target group in a given territory, depending on the area covered by the project.

The principle of efficient and accelerated implementation of the project has also been identified in the interviews conducted as a principle that will influence both the quality of projects and the occurrence of the need to extend contracts. Given the specificities of the target group, this is very difficult to identify and the maximum implementation period of the projects is not more than 6 months (according to the applicant's guide of Call 1 and 2) and 3 months (according to the applicant's guide of Call 3).

Another criterion influencing the attractiveness of this sub-measure is the principle of the efficiency of funds using, provided that the maximum cost per participant per day of training, as provided under the applicant's guide, cannot exceed 60 euro/participant (Call 1). The information gathered while conducting the interviews confirms that this cost is not attractive to potential applicants of this sub-measure, since, this cost must also cover the meal (minimum one meal and 1 coffee break/day), the transport and accommodation of the participants (maximum one night). In the case of Call 2, the cost per farmer per day of illustrative activity proposed in the financing application shall not exceed 100 euro less VAT per participant. In the case of call 3, the information actions cost shall also not exceed 60 euro per participant.

Given that these thresholds do not represent simplified cost options, the expenditure will be reimbursed only on the basis of supporting documents, which amplifies the effort of the beneficiaries during the payment claim phase. The information gathered in the interviews emphasizes that although the project audit is mandatory for all projects submitted under the 3 calls launched, all supporting documents will be requested with the payment claim which will be subject to the audit report.

Moreover, another difficulty identified by those interviewed (although it represents an eligible expenditure present as a condition laid down by the specific legislation in the field of non-reimbursable grants projects)

refers to the cost (too) high of the project audit. It can cost more than informing the target group of a county. This is even more unattractive when the same entity (beneficiary) implements more than one project.

The lack of pre-financing has been identified as another cause which negatively influences the attractiveness of this sub-measure. The individuals interviewed consider that a certain amount of expenses will be incurred in advance, such as the costs incurred for identifying the target group, renting rooms, travelling, etc.

Last but not least, according to the interviews conducted, the late launch of calls under sub-measure 1.2, as well as the long period of evaluation – selection – contracting, all these elements adversely influenced the attractiveness of the sub-measure.

#### Sub-measure 2.1 "Support to help benefitting from the use of advisory services"

By 11 October 2018, under the sub-measure 2.1 *Support to help benefitting from the use of advisory services* 7 public procurement procedures had been launched, as follows:

Crt. No.	Acquisition name	Launching date	Deadline for receiving tenders	Status
1.	Acquisition of advisory services granted to farmers with agrienvironment commitments (procedure for 5-plots)	23.03.2018	30.04.2018	Cancelled (In SEAP (Electronic System for Public Procurement) on 07.08.2018 12:25)
2.	Acquisition of advisory services granted to farmers with agrienvironment commitments (procedure on 5-plots)	22.11.2017	15.01.2018	Cancelled (In SEAP on 20.03.2018 09:20)
3.	Acquisition of advisory services granted to farmers with agrienvironment commitments (procedure on 5-plots)	30.08.2017	10.10.2017	Cancelled (In SEAP on 10.10.2017 16:00)
4.	Acquisition of advisory services granted to agricultural producers in order to establish and develop partnership forms in the agricultural sector (procedure on 7-plots)	15.02.2018	29.03.2018	Assigned (on 03.10.2018 01:30)
5.	Acquisition of advisory services granted to agricultural producers in order to establish and develop partnership forms in the agricultural sector (7-plots procedure)	18.11.2017	15.01.2018	Cancelled (In SEAP on 07.02.2018 16:51)
6.	Acquisition of advisory services granted to agricultural producers in order to establish develop partnership forms in the agricultural sector (7-plots procedure)	30.08.2017	09.10.2017	Cancelled (In SEAP on 09.10.2017 16:00)
7.	Acquisition of advisory services granted to farmers working on	28.09.2017	09.11.2017	Assigned two plots (on

farms (farmers 6.1 and 6.3) (procedure on 7-plots)	05.06.2018 09:44)
	Cancelled 5 plots (In SEAP on 10.11.2017 18:00)

Following the 7 procedures launched, 7 contracts were concluded with EGIS Romania SA, and 2 contracts were concluded with AVENSA Consulting.

Considering the small number of contracts concluded, on 23 July 2018, with the amendment to the programme, measures were taken to reallocate the amount of EUR 51,120,737 of the total of EUR 60,386,100, representing the Union's contribution planned for period 2014-2020 allocated to Measure 2, for budgeting the introduction of M14 (Financing new commitments-DI3A). Thus, the budget available from the European Union planned for the period 2014-2020 for the implementation of Measure 2 is 9,265,363 euro. The justification of the NRDP MA on diminishing the budget allocated to the M02 has as its main motivation the late launch of this measure due to the transposition of a new public procurement legislation and the lack of interest of economic operators in accessing this measure.

Interviews conducted among the two providers confirmed that this sub-measure meets to a large extent the needs of potential beneficiaries/final target group, whether it is about farmers who are beneficiaries of sub-measures 6.1 Business start-up aid for young farmers and 6.3 Business start-up aid for development of small farms, or about farmers who have agri-environment commitments (Measure 10). However, the late launch of the proceedings (the first procedure was launched on 09.10.2017), was indicated as the main cause generating the unattractiveness of this sub-measure.

Considering the financial and technical capacity of potential providers (tenderers) to prepare technical tenders, the information gathered reveals that, but for the conclusion of partnerships on project implementation, the submission of such projects would not have been possible. Both interviews revealed that, but for the involvement of third parties, they could not have submitted projects or implemented them (EGIS Romania managed to meet the criteria related to the financial capacity by engaging one of EGIS subsidiaries in France as partner, and the company AVENSA CONSULTING managed to meet the requirements related to technical capacity by engaging "Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary as a partner). According to the information collected, considering the criteria set out in the awarding documentation (which is consistent with the applied law on public procurement), potential tenderers have a small capacity to fulfil requirements related to technical and financial capacity, without the involvement of a partner in those project(s). For example, for the procedure on Acquisition of advisory services granted to agricultural producers in order to establish and develop partnership forms in the agricultural sector, the tenderer had to have the average global turnover in the last 3 years respectively the years 2014, 2015 and 2016, for each individual plot, of minimum: PLOT 1 = 4,736,155 lei, PLOT 2 =4,736,155 lei, PLOT 3 = 6,060,241 lei, PLOT 4 = 3,787,651 lei, PLOT 5 = 3,036,486 lei, PLOT 6 = 4,736,155lei, PLOT 7 = 4,736,155 lei14. On the other hand, considering the second procedure, the Acquisition of advisory services granted to farmers operating on farms, the average annual turnover over the last 3 financial years, respectively the years 2014, 2015 and 2016 should be of minimum: PLOT 1 = 2,728,200.00 lei, PLOT 2 = 1,818,800.00 lei, PLOT 3 = 1,818,800.00 lei, PLOT 4 = 1,818,800.00 lei, PLOT 5 = 1,818,800.00 lei, PLOT 6 = 1,818,800.00 lei, PLOT 7 = 1,818,800.00 lei.

The requirements for the technical capacity of tenderers were difficult to fulfil. For the procedure Acquisition of advisory services granted to agricultural producers in order to establish and develop partnership forms in the agricultural sector, tenderers (economic operator or members of the Association together) had

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<sup>14</sup> Data sheet of the Acquisition of advisory services granted to agricultural producers in order to establish and develop partnership forms in the agricultural sector, SEAP.

to demonstrate that had been providing consultancy services in the last 3 years under one or more contracts, indicating values, data and public or private beneficiaries, services of a minimum aggregate value of: PLOT 1 = 2,368,077 lei, PLOT 2 = 2,368,077 lei, PLOT 3 = 3,030,120 lei, PLOT 4 = 1,893,825 lei, PLOT 5 = 1,518,243 lei, PLOT 6 = 2,368,077 lei, PLOT 7 = 2,368,077 lei. On the other hand, considering the procedure on the *Acquisition of advisory services granted to farmers operating on farms*, tenderers (economic operator or members of the association) had to demonstrate that they had provided consultancy services for the last 3 years under one or several contracts, indicating the values, data and public or private beneficiaries, services in aggregate value of the minimum: PLOT 1 = 1,364,100.00 lei, PLOT 2 = 909,400.00 lei, PLOT 3 = 909,400.00 lei, PLOT 4 = 909,400.00 lei, PLOT 5 = 909,400.00 lei, PLOT 6 = 909,400.00 lei, PLOT 7 = 909,400.00 lei, PLOT 1 = 1,364,100.00 lei, PLOT

Another cause identified which influences the attractiveness of this sub-measure refers to the conditions imposed on value deposits and the required guarantees (the tender guarantee and the performance bond). Thus, according to the awarding documentation, tenderers are required to deposit a tender guarantee amounting to: PLOT 1 = 23,680.78 lei; PLOT 2 = 23,680.78 lei; PLOT 3 = 30,301.21 lei; PLOT 4 = 18,938.26 lei; PLOT 5 = 15,182.43 lei; PLOT 6 = 23,680.78 lei; PLOT 7 = 23,680.78 lei (*Acquisition of advisory services granted to agricultural producers in order to establish and develop partnership forms in the agricultural sector*), L1 =13,641.00 lei L2 =9,094.00 lei L3 =9,094.00 lei L4 =9,094.00 lei L5 =9,094.00 lei L6 =9,094.00 lei L7 =9,094.00 lei (*Acquisition of advisory services granted to farmers operating on farms*). Performance bonds are (for all procedures launched) 10% of the contract value, less VAT.

Thus, although these requirements have been difficult to achieve by potential beneficiaries, such requirements in the awarding documentation are in line with the public procurement legislation. According to the NRDP MA, precisely to facilitate access to more operators, this procedure was launched on plots, with the possibility for each tenderer to be able to submit tenders on how many plots he wishes, respectively depending on the requirements he can meet.

Providers have encountered a lot of difficulties in fulfilling the requirements related to experts proposed in the technical tender. The information collected reveals that, in this context, the capacity of Romanian firms is reduced. They do not have sufficient staff to implement such projects. Consequently, there occurred the need of involving partners in projects. In the case of AVENSA Consulting, the identification of experts was a rather difficult phase, as some of the experts were very reluctant to get involved. The difficulty of identifying the experts requested under the awarding documentation is also due to the areas of expertise required – livestock, agronomy, horticulture, economic engineering in agriculture).

One more difficulty was the submission of supporting documents including the experts proposed in the technical tender (contracts specifying the projects in which the experts were involved). According to the interviews, in the case of experts, the recommendations issued by the employers were not sufficient, and they were requested to submit extracts issued by the Electronic Personnel Registry. Some of the experts had to request specific, additional recommendations for each project.

Another cause affecting the attractiveness of this measure refers to the relatively low budget that was available for project implementation. Discussing about the procedure for *the Acquisition of advisory services* granted to farmers operating on farms, according to the information collected, the amounts allocated for the implementation of plots 2, 3, 4, 5, 6 and 7 were quite small (909,400.00 lei) per plot in comparison with the amount of work requested under the awarding documentation. In addition to meetings with farmers, campaigns to promote projects should be organised with a view to raising farmers' awareness of the appropriateness of the advisory programme, as well as visits to the holdings of the farmers identified as eligible beneficiaries, which are to be carried out by the individuals responsible for the implementation of the advisory services. The target group was difficult to identify (each village/city was visited, the Association of Communes of Romania was involved). Given the late launch of the procedure, many of the farmers had already requested the support of other consultants, had them write their projects and support

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<sup>15</sup> Data sheet of the Acquisition of advisory services granted to farmers operating on farms

them with the financing application process under sub-measures 6.1 and 6.3. It was not the case with the procedure on The *acquisition of* advisory services provided to *agricultural producers in order to establish and develop partnership forms in the agricultural sector*. The tenderer in this procedure proposed the maximum budget of 3.5 million euro for the implementation of the 7 plots.

The contracting procedure was to a low extent appreciated by the contractors because of the long period of tenders evaluation. Both in the case of EGIS Romania and in the case of AVENSA Consulting, the contract was signed after a period of more than 6 months. The long-term evaluation of technical and financial proposals, in conjunction with the fact that in parallel, calls for the submission of projects under submeasures 6.1 and 6.3 were launched, all these things resulted in delays in identifying potential beneficiaries for these sub-measures, and implicitly, in reducing the necessary time otherwise available for informing them. In this case, according to the NRDP MA, the evaluation of the submitted tenders was carried out together with the ANAP observers, and each evaluation phase implies the completion of a minute/clarification, deadlines complied with. In addition, each contract must be analysed separately, as the contractors and the objectives set are different.

#### **Sub-measure 3.1 "Support for new participation in Quality Schemes"**

Sub-measure 3.1 "Support for new participation in Quality Schemes", is assessed as mainly relevant, in the sense that all the actors interviewed about this measure (representatives of NRDP MA, MADR, AFIR representatives and members of the NRDP MC, active in the promotion of agricultural products and organic farming) have agreed that this measure widely meets the needs of potential beneficiaries. Thus, the sub-measure has the potential to encourage the increase in the number of certified quality products offered to the Romanian and European consumers, to increase the added value and incomes of farmers for quality raw materials and quality processed products, improving the position of Romanian farmers on the European market by increasing the number of agri-food products protected by European quality systems in Romania, but also the development of the local market through the emergence of functional national quality systems.

However, there have been identified a number of impediments related to the national context and the manner how the sub-measure is applied in practice and which affects the feasibility of the sub-measure. Some of these impediments are generated by the provisions of Regulation (EU) No 1305/2013. Thus, the most important impediments are:

- The sub-measure was added to the NRDP 2014-2020 by an amendment brought to the programme, in 2016, so it is a recently introduced measure, for which only a project submission session has been organised. However, other aspects have caused no potential beneficiary to apply for funding under submeasure 3.1:
- For the sub-measure 3.1, in accordance with Regulation (EU) No 1305/2013 only farmers are eligible, even if processors are more interested and their work is better suited for joining the groups that have proposed products in Romania, recognised according to the European quality schemes.
- The number of products in Romania already certified according to European quality schemes is very small, and the related initiative groups consist only of large processors (high-turnover economic operators). As such, the number of already existing initiative groups a farmer could join is small and dominated by large companies, which have a low interest in establishing a partnership with small farmers. The European Union's DOOR database includes 3 products from Romania which were registered in early July 2016: two IGP products (Protected Geographical Indication)-Plum jam from Topoloveni-registered in the year 2011 and Sibiu Salami-registered in 2016 and a DOP product (Protected Designation of Origin) Ibănești cheese, registered in 2016. The European Commission has received the documentation which is subject to analysis for registering the product "Smoked bighead carp from Țara Bârsei "-IGP (submitted in March 2015) and the documentation for the product "Pleșcoi Sausages"-IGP, registered in the European Commission's DOOR database on 04.07.2016.
- Applying for the national quality schemes is not possible, since in Romania there are no recognised quality systems related to traditional products that have been notified to the European Commission in

accordance with the criteria under Title IV and the procedure laid down by Regulation (EU) 1535/2015 (to verify the fulfilment of the principles laid down in Regulation (EU) No 1305/2013). In this context, adherence to traditional Romanian product schemes is not currently eligible (February 2019). Considering the traditional products recognised at national level, it should be taken into account that the notification was forwarded to the European Commission after the sub-measure was introduced in the NRDP 2014-2020 in 2016.

- The amount of available support, provided under the Regulation (EU) no 1305/2013, is small. The support covers the actual costs of joining the quality scheme. However, other design elements of the sub-measure, relating to the type of eligible beneficiaries that might also be interested in the ineligible costs implied by the financing application and payment claim (based on supporting documents), should also be considered. Under these circumstances, it is considered that by adding the necessary but ineligible costs for accessing financing and reimbursement, the actual net value of the incentive provided by the regulation becomes too small to motivate potential beneficiaries.
- The sub-measure is available for adherence to BIO-Product schemes and products in the category "Mountain product". However, the costs incurred by a farmer to apply for these schemes are relatively small (for example, in the case of mountain products,, they only have to demonstrate the production place of origin, with no further quality related elements). In this context, the incurrence of administrative costs for requesting support and payments is not justified, when these administrative costs are not eligible.

Sub-measure 4.2a "Investments in processing/marketing of products in the fruit sector" Sub-measure 4.2a "Investments in processing/marketing of products in the fruit sector " - ITI Danube Delta

The sub-measure 4.2a should be analysed in the broader context of the "Fruit sector sub-programme" of the NRDP 2014-2020, which brings together several concentrated interventions/dedicated to this sector in relation to measures 4, 9 and 16, as follows:

- Modernisation of farms approx. 260 million euro;
- Processing and marketing of agricultural products approx. 40 million euro;
- Cooperation approx. 15 million euro;
- Producer groups-approx. 5 million euro

The financial allocation especially for the modernisation of farms (4.1a), on the one hand, and the processing and marketing of agricultural products (4.2.a) highlights the need to improve, firstly, the level of production/farms productivity to provide processors with the necessary raw material (as confirmed by the evidence collected in the present evaluation).

The evidence collected in this evaluation confirms the findings of the ex-ante evaluation considering the overall relevance of sub-measure 4.2a, hence the need of investment in processing/marketing products in the fruit sector: Romania has a tradition in the fruit-growing field, the well-known fruit-growing basins (including about 130,000 small farms) and a tradition in the research-development activity in this field; at the same time, the processing companies in Romania are still obliged to import raw materials from other countries because of the absence of a national production at high levels and of necessary quality standards and efficient integrated production capitalization systems (collection, storage, packaging, marketing) which have not yet been developed. The last need, as confirmed by this evaluation, can only be solved by implementing all the sub-measures planned for the fruit-growing sector, not just by implementing 4.2 a.

The logical relation between the PTS measures is: implementation of 4.1a (including through cooperation actions implemented under measure 16), followed by the establishment of producer groups (9a, strategic) to strengthen and streamline the relationships between producers, on the one hand, and processors and traders, on the other hand. As confirmed by all evidence collected, the implementation of 4.2a is possible under the conditions of an advance registered in particular within 4.1a. At the time of this evaluation the

interest in this measure is increasing but the implementation of possible projects within the time frame could be unfeasible.

In this context, a number of aspects raise relevance issues for sub-measure 4.2a: If at the time of the ex-ante evaluation fruit production was oriented towards self-consumption and not for marketing, 4.1a made a difference to that effect, but (according to discussions in the fruit sector FG) the current fruit production in Romania seems to focus more on consumer fruit than on fruits more likely to be processed. According to the interviews conducted, a condition that prevented the development of a larger number of projects within 4.2a was that the applicant firms should use the agricultural production of young, grown/modernised/expanded orchards within 4.1a. In this context, a condition which has decreased the attractiveness of the sub-measure is the limitation of the eligible area to the areas included in Annex 2 of the PTS (except strawberries).

Other difficulties in accessing sub-measure 4.2a (also valid for the ITI area) refer to the high degree of difficulty of projects. In order to ensure efficient processing of fruit (in particular as far as organic products are concerned), high-value investments (even greater than the maximum value of EUR 2-3.6 million of a project that would benefit the maximum contribution from EU funds), which, on the one hand, involve infrastructure/works (construction assembly) with technical risks, and, on the other hand, involve a high co-financing rate in terms of very high credit costs. This challenge (the high co-financing rate of 50/40% together with high lending costs) has been confirmed as a main obstacle to the implementation of this submeasure. Considering the late launch of sub-measure 16.1a, the possibility to further supplement the support amount by 20% for processing and operations supported under the EIP-the European Innovation Partnership on productivity and sustainability of agriculture, has not had beneficial effects so far. In addition, crediting conditions are more difficult to be complied with by new/small companies (start-ups) especially in fruit-growing field where guarantees to banking institutions can be provided to a small extent. In this context the measures already <sup>16</sup> or recently <sup>17</sup> taken by MADR so that potential beneficiaries, including measure 4.2a, can be provided credits under more favourable conditions were insufficient (rather adequate for small farmers and less to businesses) or they become available at a late stage of the programme, when (considering the complexity of projects) there is a high risk that the contracted projects (at best at the end of 2019) are not completed by 2022.

Specialised human resources, specialised technical knowledge are needed to develop a project under this measure, given that there are a number of specific laws to be complied with. Actors from different institutions, involved in the present evaluation, highlighted the need to improve specialised knowledge in the field of fruit processing and among the AFIR staff involved (on all levels, evaluation, contracting, control).

The lower attractiveness of 4.2a is also linked to the fact that under 4.1 a there were financed processing and marketing systems at the exploitation level (production, processing and marketing), respectively "the establishment and modernisation of processing units at farm level and investments in marketing (such as farm shops or food trailers that will be marketed exclusively for their own agricultural products) (only) as a secondary component of the project ". Although 4.2a has been delineated for processors to be able to process fruit from third parties, the need to finance the processing itself before the effects under 4.1 occurred, seems to have been low.

At a strategic level, the implementation of the 4.2a ITI but also of other sub-measures in this area was prevented by the late approval of the Integrated Strategy for the Sustainable Development of the Danube Delta and the launching, also as late, of dedicated project calls (NRDP among the most open to an approach

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<sup>16</sup> Financial institutions providing financing products tailored to the NRDP beneficiaries: https://portal.afir.info/informatii\_generale\_informatii\_utile\_institutii\_bancare

<sup>17</sup>https://www.fonduri-structurale.ro/stiri/21744/credite-mai-avantajoase-pentru-fermieri-prin-instrumentul-financiar-de-creditare-finantat-din-NRDP

dedicated to ITI territory and to accepting specific conditions where appropriate). In this context, the diagnosis analyses that supported SIDDD did not always concur with the needs analyses of the NRDP.

Considering the implementation of 4.2a in the ITI area, it seems that we face lower relevance of this type of intervention in the area concerned. Here there are a low number of orchards (old18 or set up/expanded under NRDP 4.1a- only 8) and the fruit sector is more concentrated on shrubs and greenhouses, despite the potential created by favourable conditions for the growth of peach, apricot and nectarine trees. Given the different target group of sub-measure 4.2a, triangulated evidence confirms that there is no potential beneficiary in the ITI area to access the available allocation. If (under the financial conditions described below), there were potential applicants, the allocation was considered small. In the ITI area there is no cooperative or group of producers in this area, the number of orchards is low and at long distances (30 km) so that a significant infrastructure is needed to achieve the 4.2a objectives and, indeed, as it has also been confirmed by the focus group, the development of a large project for the entire county/area has been the most efficient solution. Other challenges in this area/and sector are the need for farmers to focus on the varieties that best fit in the covered area (peach tree, apricot, nectarine, plum), which would mean certain adjustments to PTS Annex II, but also a higher subsidy from APIA. At present the subsidy provided on hectares of trees is identical to the one provided on hectares of wheat, in spite of the fact that the investments (the necessary resources) in hectares of trees are much larger. In addition, the marketing of products is difficult. In Tulcea this is only possible in neighbourhood shops (production for fresh consumption), the competition of imports being fierce. For the development of the fruit-growing sector a number of measures for producers' protection are necessary.

The main challenge is generated by the low intensity of financing. 50% is hard to sustain by medium-sized enterprises and cannot be supported by small enterprises (start-ups) and also under 4.1a (according to the interviews carried out) that is still influenced by the credits granted in this respect. The cost of the credits is even higher when the payments from the NRDP are delayed and thus the instalments cannot be paid on time or when the ineligible expenditure (which is at least 10% of the total project budget) is not covered by banks. Late VAT refunds make the financial situation of the beneficiaries even more difficult. This cofinancing rate is also hard to bear by cooperatives themselves, which do not have financial sources (only the members of the association). 10% is the co-financing rate that can be borne by potential beneficiaries in the area.

Unlike other sub-measures (6.3), the taking over of the financial allocation under 4.2a ITI on the national level can be a measure to ensure the efficiency of the funds at this level, although at the same time this change will only lead to the partial fulfilment of SIDD sector objectives in agriculture and rural development. Another option whose feasibility should be explored is the allocation of budget 4.2a to 4.1a (ITI, not the national level), considering the existing demand at the moment.

Considering the GBER scheme associated with sub-measure 4.2a, the intervention logic envisaged a 'chain 'approach, identical to that envisaged for the sub-measure 4.2. Potential beneficiary firms under the state aid scheme would use the production achieved through the investments made under 4.1a, in addition the complementarity/correlation with sub-measure 16.1 would facilitate the success of an investment (innovative) financed under the state aid scheme. Considering the state of implementation of sub-measures 4.1a and 16.1 a., as in the case of 4.2a, the implementation of the GBER scheme is more feasible at this time compared to previous years<sup>19</sup> and it may be increasing (not validated by on-site research –just the MA said that).

The high co-financing rate (90-50% by region and beneficiary) as well as the budget limit (maximum budget) have determined a reduced attractiveness of the scheme (also valid for the ITI area where there

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<sup>18</sup> Information obtained in field research. SIDD states that in the ITI area "orchards are totally absent" (page 135). From this perspective, an allocation of 4.2a funds in the ITI area was less logical.

<sup>19</sup> Validated just during one interview conducted

was a potential beneficiary interested<sup>20</sup>), In late 2018, in Romania there were approximately 1650 potential beneficiaries for the GBER scheme (companies with main NACE codes 1082 and 1101). Both potential beneficiaries which were interviewed had been informed about the funding opportunity, but the cofinancing rate was not attractive (90% in the Bucharest-Ilfov area). Certain conditions were not met (such as, in the case of the ZAREA, the main shareholders are the Polish company Ambra, with 51% and Karom Trading Romania, with 36.13%, both controlled by the German sparkling wine producer Schloss Wachenheim, so it is an affiliated company- a company having more than 50% of the share capital and/or voting rights in the structure of other companies, upstream or downstream, in accordance with art. 4).

In legal terms, challenges are raised by the EIA legislation<sup>21</sup> (environmental impact assessment), especially in situations where selected projects could not be contracted because the environment opinion was issued 10 days later (survey data triangulated with interviews). Such situations significantly decrease the attractiveness of NRDP.

#### Sub-measure 6.3 "Business start-up aid for development of small farms" - ITI Danube Delta

Sub-measure 6.3 *Support for the development of small farms* covering the Danube Delta area is considered to be relevant to a large extent, according to the actors interviewed (NRDP MA, AFIR, the Association for Intercommunity Development ITI Danube Delta, OJFIR Tulcea, Local Action Group Association "Dobrogea de Nord -Tulcea", as well as the beneficiaries participating in the focus group organized in Tulcea County).

According to the representatives of ADI ITI Danube Delta, the *Integrated Strategy for Sustainable Development of the Danube Delta*<sup>22</sup> was developed in August 2016, so that the *National Programme for Local Development 2014-2020* (approved in 2015), sub-measure 6.3 ITI in subsidiary, did not consider the specific analysis on the area of the Danube Delta. However, the programme took into account this strategy and adapted (along the way) the specific elements transposed into the strategy. In this way, the discussions between the representatives of the ITI Danube Delta and the NRDP MA aimed at including certain aspects within the Programme. The information gathered in the interviews conducted with the relevant actors confirmed the adjustment of the applicant's guide for certain conditions, although no changes were obtained with regard to the selection criteria.

Considering the adjustment of the Programme, in 2017, the condition for sub-measures 4.1 and 4.1a in terms of the economic dimension in case of crop rotation was taken over under sub-measure 6.3, in order to comply with the sustainable nature of the intervention under the NRDP and the objectives of the efficient development in terms of long-term economic perspectives of both large and medium-sized farms and small sized ones. Thus, sub-measure 6.3 also included the request that the farmer should not reduce the economic dimension in terms of the Standard Production (SO) value of the holding subject to financing, over the entire implementation and monitoring period of the project. Thus, according to the adjusted guide, the applicant will not reduce the economic dimension foreseen when submitting the financing application for the agricultural holding during the execution of the project by more than 15%. By way of exception, in the case of nurseries, the fluctuation margin of not more than 15% of the economic dimension may be greater. However, the economic dimension of the agricultural holding will not, under any circumstances, fall below the minimum threshold of 4,000 SO set by the eligibility conditions<sup>23</sup>. In the following year (2018), sub-

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<sup>20</sup> Including SC Piccolo Angelo SRL-Established in 2007, the second company of the Angelo group, has as its scope of activity the manufacture of confectionery, pastry, ice cream, and fruit and vegetable processing; They annually sell cakes of 2 milion Euro to Blue Air, and 10% of total sales come from exports to Italy, Germany, Belgium.

<sup>21</sup> Order of the Ministry of Environment and Forests No. 135/2010 on the approval of the methodology for the implementation of the environmental impact assessment for public and private projects;

<sup>2.</sup> Government Decision No. 445/2009 on the assessment of the impact of certain public and private projects on the environment, with subsequent amendments and completions;

<sup>22</sup> Decision no. 602 as of 24 August 2016 on the approval of the Integrated Strategy for Sustainable Development of the Danube Delta

<sup>23</sup> National Programme for Local Development 2014-2020, version 30 June 2017

measure 6.3 was again subject to a supplement relating to the same provision. This time, the text supplement with the indication that 'this condition also applies to the beneficiaries of the implementation sessions of 2015 and 2016, in compliance with the eligible minimum SO applicable in those sessions, if they agree with this feature"<sup>24</sup>, was brought to create the conditions for equal opportunities between all NRDP applicants taking into account the factor independently of the beneficiary, respectively the one required by the crop technology.

In this context, the sub-measure corresponds, to a very large extent, to farmers needs in terms of improving agricultural holding management, as well as increasing their orientation towards the market and increasing the small sized agricultural holdings income.

By 11 October 2018, the date when this analysis ended, 173 projects were submitted for ITI territory under sub-measure 6.3, of which 76 were selected for financing, and 75 of them were contracted. The budget granted for the implementation of this sub-measure is 5 million euro. On 28 February 2019, under this sub-measure 229 projects were submitted, 87 selected and 75 in implementation. The value of the projects selected for financing is 1,305,000 euro, i.e. 26% of the total allocated value. Given the large number of projects currently under evaluation and selection process, according to the interviews conducted with representatives of OJFIR Tulcea, this sub-measure is not at risk of failure. There are positive prerequisites for the selection of a sufficient number of projects covering the value allocated to this sub-measure. In addition, given the time remaining available for the implementation of the NRDP 2014-2020, the interviewed actors greatly appreciated that the budget would be exhausted, in particular due to the permanent demand of farmers with projects in preparation. This was confirmed, in particular, in the focus group with consultants from the ITI Delta Danube region.

However, a number of impediments have largely determined the weak accession of the sub-measure, i.e. the selection of only 76 projects of the 173 submitted (until October 2018). Thus, the factors which led to a weak accession of sub-measure 6.3 ITI (until that date) were, firstly, the interpretation of the applicant's guide by the applicants, which subsequently generated problems in fulfilling the conditions and criteria for eligibility, and on the other hand, the eligibility conditions of the project itself, in conjunction with the administrative burden.

Thus, among the identified factors which have caused obstacles to the process of accessing this submeasure, the following ones are included:

- The wording of the conditions and criteria in the applicant's guide, which contributed to a different interpretation by the applicants on the one hand, and by the AFIR evaluators, on the other hand. According to the consultants and beneficiaries, the terminology used in the applicant's guide leads to a different interpretation, and thus, to a different viewpoint, both in the evaluation process and during the on-site control phase. There were mentioned such cases when, during control phase, the OJFIR experts formulated points of view which were actually different from their colleagues' in another county, on the very same issue.
- Launching the projects submission sessions at the same time with other sub-measures, under which potential beneficiaries had access to a higher budget than that granted under sub-measure 6.3 ITI. According to the interviews conducted with the relevant actors, this was also been prompted by the advice given by consultants that potential beneficiaries should turn to other sub-measures (e.g. to sub-measures 6.2 and 6.4) where the project budget was more than 15,000 euro. In addition, this can be interpreted by the reasoning that the target group was not very well delimited when the programme was prepared and, therefore the intervention logic of the sub-measure is not very well defined.
- Both the survey and the focus group and interviews among beneficiaries confirmed that the number of documents needed for the preparation of applications is high and obtaining them is

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<sup>24</sup> National Programme for Local Development 2014-2020, version 23 July 2018.

- costly and time-consuming (as they need to be requested from different institutions i.e. City Hall, ANSVSA (Sanitary Veterinary and Food Safety Department), APIA).
- The documents required during the application phase for the second instalment-both the survey, the focus group and the interviews among the beneficiaries and the focus group with the consultants, confirmed that the number of documents requested in the payment claims phase make the process of projects implementation difficult. According to the survey among beneficiaries, most of them (97%) turned to the support of consultants for the submission of projects. Considering the requirements for submitting the payment files, farmers would not manage without their support, especially that farmers do not have specific knowledge in this regard. The requested documents include invoices, proof of payment, purchase contracts, delivery-receipt protocols, certificate of conformity, report of equipment commissioning. According to the consultants, there were some cases when the files drawn up for payment claims were rejected because they did not include the report on the equipment commissioning. Because many suppliers do not provide such a report on commissioning, some of the consultants mentioned that they drafted themselves such protocols, having the suppliers sign and stamp them, so as to avoid the rejection of payment files. Also, another difficulty encountered by the beneficiaries refers to the number of documents to be submitted with the payment claim file, in particular copies of the tax receipts, the file counting even 400 pages. According to the information provided by the beneficiaries and consultants, since January 2019 no such documents have been required for the request submitted for the payment of the second instalment.
- The condition for applicants to become a legal entity (PFA Self-employed person) prior to the submission of projects. This issue imposes additional costs, in advance, in addition to the transfer of land from a natural person to a legal entity, costs incurred exclusively by farmers.
- The requirement for the registration of the agricultural holding, by the applicant, as its property or as an organisation eligible for accessing the support, at least 24 months before accessing the support under this sub-measure, in the Single Identification Register (APIA) and/or the National Holdings Register (ANSVSA), as well as in the Agriculture Register with the City Hall. The information collected confirms that some of the farmers do not declare their holdings at APIA and/or ANSVSA, or have not registered them for 24 months. This can also be due to the lack of early information on the possibility of financing farmers under this sub-measure.
- The eligibility condition related to the beneficiary's workplace, which, in accordance with the applicant's guide, if the applicant has a job, the workplace must be in the same Territorial Administrative Unit or in an area close to the Territorial Administrative Unit where the holding subject to support is registered. According to the beneficiaries and consultants, this provision generated some difficulties for farmers who have a job in other localities/towns in Tulcea County, which were not considered as areas close to the Territorial Administrative Unit where the holding was registered. This issue was debated with the representatives of OJFIR and they understood that, given the relatively small size of the farm, and the fact that agricultural activities are seasonal, farmers need a constant source of income. Therefore, it was subsequently admitted that farmers financed under sub-measure 6.3 ITI could carry out income generating activities in neighbouring areas, within a distance of up to 75 km from the location of the holding.
- The fulfilment of the selection criterion for submitting a proof of graduation of initiation/training/specialization courses in agriculture, agro-food, veterinary or agrarian economy, was another difficulty farmers identified. According to the applicant's guide, the farmer can undertake and prove the graduation of a course within 33 months upon the signing of the financing decision, but, for the setting up of the Self-employed person entity, farmers must prove they have attended a professional training (Diploma, certificate or statement proving the graduation of an educational institution, certificate of professional qualification or

- graduation of a form of vocational training, certificate of professional competence, any other evidence certifying the professional experience). Therefore, all beneficiaries participating in the focus group organised in the ITI Danube Delta, confirmed that they had attended such courses for a fee, in advance, for managing to set up such a Self-employed person entity and thus become eligible for sub-measure 6.3 ITI.
- The obligation to arrange the manure management platform/or conclude contracts with either the City Hall (if it owns a communal waste platform) or an economic agent, represented a difficulty, especially for farmers owning mixed agricultural holdings, with a majority of plants rowing activities. For receiving the second instalment, they had to prove that they had already fulfilled some of the issues already mentioned. However, farmers have requested the AFIR representations to amend the guide in this regard so that they can use, in compliance with the limits permitted by law, their own waste, without being forced to build a waste platform or contract a company in this respect (although these requirements are in line with the Nitrates Directive).
- The fulfilment of the eligibility criterion EG2 The applicant owns an agricultural holding with the economic dimension between 4,000 and  $\in$ 11,999 SO. According to the interviews conducted with the relevant key actors (ADI ITI Danube Delta, OJFIR Tulcea), as well as information collected in the focus groups with beneficiaries and consultants, it was one of the criteria identified as the most common difficult to fulfil. This issue is also confirmed by the results of the survey conducted among beneficiaries (21%) and selection reports on unselected projects. The failure to fulfil these criteria derives from the erroneous/partial interpretation of the applicant's guide by the beneficiaries and consultants. Considering the provisions of the applicant's guide, "for determining the economic dimension of the agricultural holding, the section entitled the determination of the farm category shall be filled in in the financing application, the Table including the crops structure and the calculation of S.O. shall be filled in, too. In This section of the financing application the whole production base is mentioned (areas, animals, birds and bees) for which the applicant has ownership and/or lease/transfer documents and which are registered with IACS (Integrated System of Administration and Control) at APIA, and/or in the Holdings register of ANSVSA/ANZ, as well as in the Agriculture Register before applying for the financing. Many applicants did not include the entire production base in the calculation of the economic size of the holding, and they were declared ineligible during the on-site visits.

#### Sub-measure 6.5 "The small farmers scheme"

Sub-measure 6.5. is mainly relevant to a large extent, in the sense that all the actors interviewed: the representatives of the NRDP MA, AFIR, a financing beneficiary and two rejected applicants consider that the measure meets the needs of potential beneficiaries, as it provides compensation to individuals, small farmers, who do no longer want to continue working on their holdings. The measure is an additional motivation for these farmers, usually elderly people (but not only) to transfer their holdings. The measure also meet the macro-economic needs of the Romanian agricultural sector to improve holdings and increase their size in order to increase their productivity and efficiency.

However, a number of impediments have determined the weak accession of the measure, i.e. the submission of only 23 projects in the two open sessions (2016 and 2017) and the selection and contracting of only 3 projects (13% of the total requests). The factors determining a weak accession of the sub-measure 6.5 are related, on the one hand, to the profile of the target group of eligible applicants and, on the other hand, to the administrative conditions for financing.

Thus, among the factors determining the weak accession of sub-measure 6.5, the following are included:

Relevance factors related to the wishes (rather than the needs) of the target group (the first two factors presented below),

- Factors related to the cadastre at national level,
- Factors related to the criteria and conditions for eligibility of applicants and financing applications, some of these conditions being derived from Regulation (EU) No. 1305/2013,
- Factors related to other characteristics specific to the measure and the target group, such as the level of education and digital skills of most people in the target group.

Thus, the main factors likely to explain the low level of accessing sub-measure 6.5 are:

- Rather high reluctance of small owners of farmland towards the definitive transfer of land.25
- The relatively small amount of support (120% of the support previously received under the simplified Small farmers scheme under Pillar 1) and the relatively short period 5 years in which support is granted, relative to a definitive transfer of land (or a lease for minimum 20 years). The interviewed individuals considered that the amount and duration of support are not sufficiently motivating to determine owners to transfer the holdings they do no longer work directly.
- Problems related to the cadastre of agricultural land in Romania<sup>26</sup>, considering that, in some circumstances the land ownership could not have been otherwise proven or they could not prove the physical boundaries of the owned land except by submitting Land Register documents.
- The condition that the holding transferred had previously benefited of support from APIA, under the simplified small farmers scheme under Pillar I. Although the number of beneficiaries of the simplified small farmers scheme is very high (in 2016, the list of support beneficiaries in the previous year included over 770,000 farmers) it is unclear how many of these beneficiaries owned the holding in full ownership, without having leased it, in whole or in part. Thus, if the objective of sub-measure 6.5 is to strengthen agricultural holdings, the condition of prior registration with APIA is not justified and the measure could also be applied to applicants who have not benefited from any support from FADR. The condition is stipulated by Regulation (EU) 1305/2013, so it is not a factor that can be easily influenced by the NRDP MA, but it is also important to consider this limitation. In addition, targeted communication measures could be efficient and effective if they were to address only eligible beneficiaries, and in this respect it would be useful if APIA (the information holder) and AFIR (responsible for sub-measure 6.5) worked together for a more accurate determination of the number and identity of eligible beneficiaries, given that there is a certain list of potential beneficiaries.
- Conditions relating to the previous ownership on the holding to be transferred, in other words:

  (a) The condition that the applicant had completely owned the holding which had benefited of support under the simplified small farmers scheme and (b) the condition to transfer the entire holding. In other words, people who had benefited of previous support under the simplified small farmers scheme in Pillar I for holdings partly made up of land in ownership and partly of land in lease were not considered eligible.
- Failure to access the measure for land in co-ownership, taking into account the condition that the sub-measure can only be accessed by a single farmer.
- Conditions relating to the lease contract for applicants who made the transfer of the holding by lease contract for at least 20 years. The evaluation reports for the financing applications submitted reveal the following aspects: (a) many of the applicants concluded lease contracts

<sup>25</sup> See the study of the National Commission for Prognosis concerning the Consolidation of Agricultural Holdings (2012),http://www.cnp.ro/inovatie/docs/principalele-livrabile/09 Rezumat%20studiu%20-%20Consolidarea%20exploatatiilor%20agricole.pdf

<sup>26</sup> See the report of the Land Registry National Agency (ANCPI) on the state of implementation of the National land registry programme in 2018 and the necessary additional measures: <a href="http://www.ancpi.ro/files/Statistici">http://www.ancpi.ro/files/Statistici</a> home page/stadiu pnccf 20180713.pdf. Existing cadastral evidence can be seen on ANCPI website

for 20 years and subsequently submitted the financing application, which meant that the lease period from the submission of the financing application until the contract termination, as provided, was a few days or months less than the minimum limit of 20 years. This condition was clarified in the second submission session in  $2017^{27}$ ; (b) For the first project submission session of 2016 many applicants submitted lease contracts registered, in accordance with the law, at local councils, but did not conclude the lease contracts in authenticated form at the notary public. This second eligibility condition was eliminated for the second project submission session, starting with 2017

- The vagueness of the condition on the notification of APIA on the transfer of the holding, as evidenced by the fact that non-conformities of the financing application related to the failure to notify APIA have been identified for a large number of submitted financing applications. For APIA the condition for the transfer of holdings is considered clear, and a person with an average knowledge of the Common Agricultural Policy funding system can understand without any problems the public transfer and its registration with APIA. However, interviews conducted both with a beneficiary of the sub-measure and with the rejected beneficiaries and the analysis of the evaluation reports on the financing applications show that this condition is unclear to potential beneficiaries. In particular, they did not know when to submit the application and how to formulate it so as to prove the fulfilment of the eligibility condition for the transfer of the holding and not to miss the payment during the year when the financing application was submitted. The interview conducted with the rejected applicant revealed that the wording of contracts with suspensive clause on the time of the transfer was not recommended by all public notaries the applicant had consulted about the transfer.
- The fact that the measure is not attractive to consultants, assuming very low funding compared with the business pattern of consultants. This issue generates two main consequences. 1. Eligible applicants and potential beneficiaries of transfers (that beneficiaries are to contract for the transfer of the holding) are informed on the availability of funding only directly, i.e. only the authorities are concerned about promotion and the multiplier information effect of consultants in search of customers does not apply in this measure.(2) Eligible applicants lack experience in drafting projects, digital skills for filling in the financing application online or the legal knowledge necessary to verify the documents submitted and the contractual provisions to be inserted into legal documents related to the transfer of the holding. By definition, the potential beneficiaries under sub-measure 6.5 are small farmers, and the experience in project writing, digital skills and legal knowledge are often not associated with this socio-professional category. That is why some consultants had better support them.
- From the case study and other interviews, it resulted that most eligible potential applicants did not have the capacity to prepare themselves the financing application, so they had their family members draft it, individuals who have experience in accessing projects in the agriculture field, or studies and experience in the legal field.

#### Sub-measure 8.1 "Support for afforestation/creation of woodland"

In order to finance the projects under the State aid scheme "Support for the first afforestation and the creation of woodland" "under sub-measure 8.1, a number of 3 calls had been launched until the date of this analysis (February 2019), one in the autumns of 2016 and 2017 and another in December 2018. The first two calls were closed. A total of € 8,451,470.69 was allocated for 45 eligible projects out of a total of € 100,000,000 available in the project submission sessions and € 126,801,632 out of the total allocated to the

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<sup>&</sup>lt;sup>27</sup> According to the Applicant's Guide of 2016, a request for funding was eligible on the basis of the transfer made under lease contract of the land of holding, concluded for a period of at least 20 years, starting with the year when the financing application is submitted '. According to the Applicant's Guide of 2017, financing applications were eligible on the basis of the transfer made under ' lease contract of the land of the holding, concluded for a minimum of 20 years, starting from the date when the lease contract comes into force, but not earlier than 1 December 2015

NRDP. A total of 54 projects have been submitted and 34 grant commitments have been signed by the time of the initial assessment report (October 2018). No projects have been declared ineligible, but some of the projects have been withdrawn and, as the interviews show, there might have been other beneficiaries of the project who have abandoned the projects.

The status of the submitted financing applications, the eligible ones and the concluded commitments show very low interest among potential applicants, agricultural landowners, in accessing sub-measure 8.1 and in developing forest plantations on agricultural lands. Thus, except farmers (who own very large holdings, for which it is useful to create microclimates through the establishment of forest protection areas on holdings over 1,000 hectares) and, except the owners of degraded lands, sub-measure 8.1 is theoretically not relevant to potential beneficiaries. The sub-measure does not respond to any need they have to set up a forest on their agricultural land. On the other hand, although owners of large-scale land holdings and owners of degraded land may access the sub-measure until the funds are exhausted, interviews show that it was not sufficiently known or promoted among this target group, and vagueness regarding the safety requirements for forest protection areas has contributed to low interest among these potential beneficiaries as well.

The sub-measure is particularly relevant to the needs of society as a whole in combating desertification and increasing soil water retention, erosion and land degradation, carbon conservation and greenhouse gas reduction and combating other effects of climate change. Thus, according to the measure sheet: "Newly created forests, protection areas or roadside trees on agricultural and non-agricultural fields, especially in the plains, will have positive effects on the local climate, helping to combat the effects of excessive drought, improving the local climate and edaphic water regime, reducing evaporation and perspiration at plant level. In mountain and hill areas, the creation of woodland contributes to reducing soil erosion, improving water retention capacity, and mitigating flood risks and adverse impacts of floods. Besides the positive influence on climatic conditions, newly created forests also contribute to increasing biodiversity at local level by rehabilitating habitats and ecosystems and creating transition areas likely to encourage the spread of insect, bird and mammalian populations. Through ecological, social and economic functions, forests also provide other goods and services for society, such as wood and non-wood products, recreation space, landscaping, which completes the rationale for intervention under this measure."

This increase in social and ecological relevance, however, is not enough to persuade landowners to give up their agricultural production and the subsidies received for agricultural holdings.

According to interviews with APIA representatives and members of the NRPD Monitoring Committee on the attractiveness of funding, agricultural landowners currently find it more advantageous in economic terms to keep agricultural land for production rather than afforest it, given the value of the support granted under sub-measure 8.1 (which is low, according to landowners). Thus, the support provided under NRPD via sub-measure 8.1 covers the costs for the establishment and maintenance of forest plantations, including costs for the preparation of the technical projects and afforestation works by providers, authorized in this respect. Additionally, costs for fencing the forested area, maintenance works costs for a maximum of 6 years and care works for another 2 years, and income loss, in case of agricultural land, are also covered.

However, the financing scheme built on State aid rules does not take into account any other costs that afforestation implies, for example, the possible guarding costs in case of registering the surface in the national forest fund. According to the forestry legislation, "areas of at least 0.25 ha, covered by trees are considered to be forests, within the meaning of this code, and are included in the national forest fund; trees must reach a minimum height of 5m at maturity under normal growing conditions." <sup>28</sup> For any area of this type, the owner must comply with a series of obligations, in some cases expensive, specified by national legislation in the forestry field. Thus, woodland is generally more expensive to maintain than agricultural land and, therefore, the attractiveness of sub-measure 8.1 decreases if the payments and compensations

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<sup>&</sup>lt;sup>28</sup> Art. 2 line 1 Forest Code

received are weighed against the costs associated with ownership of a woodland, on the one hand, and the income from agricultural production which is lost with the establishment of the forest plantation.

Additionally, when the financing received under sub-measure 8.1 comes to an end, after 12 years of support, it is unclear for current beneficiaries what other sources of funding can be accessed for that land (in theory direct payments will be available at that point in time, through APIA), situation that can also discourage applicants. In any case, taking a 12 year commitment implies a certain vision regarding land use, which many prospective beneficiaries do not have, as evidenced by interviews. This is not the case when talking about agricultural land whose destination is maintained, when owners are no longer wondering about the availability of subsidies in 10-12 years' time.

Interest in sub-measure 8.1 could increase, given that funding is granted depending on the size of the woodland, for very large areas of land, including hundreds of ha. For them, costs necessary to ensure compliance with all legal obligations, where they occur, would not be so costly in relation to every ha of woodland. And land afforestation (especially protection areas and roadside trees) can be seen either as an investment to change microclimate and increase agricultural productivity for even larger areas, or the establishment of a forest plantation can be a long-term investment.

From this point of view, another factor contributing to the under accession of funds, according to the Applicant's Guide, is that "the establishment of forestry plantations with short production cycle, fast-growing trees for energy production or Christmas trees" is not eligible, such that the state aid scheme cannot actually be seen as investment support, even though short-cycle and fast-growing trees have  $CO_2$  conservation and water retention properties (even if lower than other species in some cases) and therefore can contribute to a better environment than the absence of any tree plantations. The condition is stipulated under Regulation (EU) 1305/2013, so it is not a factor that can be influenced by the NRDP, but it is nevertheless important to consider this limitation.

Moreover, beneficiaries of funding under sub-measure 8.1 bear certain risks inherent in forestry. For example: setting up plantations is based on technical projects, and the use of the fundamental natural forest type in Romania is favoured. However, there may be situations where more recent climate and soil changes, longer periods of drought and heat can make that the plantations recommended by the technical project for the fundamental natural forest type in Romania is not viable. If afforestation works are unsuccessful due to environmental conditions (biotic and abiotic factors) that were not correctly assessed initially, part of the risk shall be borne by the beneficiary (payments for cases of "force majeure" are available under NPRD but they do not seem to be very well known). If the event occurs before the second plantation maintenance work is carried out, if saplings loss exceeds the 20% threshold of the total number of saplings planted on the plot/forest management unit, the beneficiary may inquire costs for the restoration of the affected plot/forest management unit. The risk is no longer covered afterwards, nor below the 20% threshold. This is not sanctioned for the late submission of the financing application if this situation occurs before the second maintenance is carried out, but neither is it compensated in all cases where the afforestation works are to be restored. Additionally, once the second maintenance operation has been completed, any event affecting the forest plantation and delaying the submission of annual payment claims shall be penalized by 1% per working day of delay. The penalties applied for delays in the submission of payment claims are laid down in Regulation (EU) 640/2014, not applicable just to sub-measure 8.1. In this case, however, the submission of the financing application is conditional on carrying out maintenance work. If this cannot be accomplished due to environmental factors, the financing application is delayed without the fault of the beneficiary, who still remains subject to penalties.

Beyond the relevance of funding for the needs of potential eligible beneficiaries, other issues related to the management of project submission and selection sessions, the criteria applicable to beneficiaries, etc. have

led to delays and, in some cases, the withdrawal of projects after they had been declared eligible (*see in particular the answer given to evaluation question no. 4*). However, field research shows that the main cause for the lack of attractiveness of sub-measure 8.1 is not represented by administrative problems, but by the low relevance of the measure compared to the needs of potential eligible beneficiaries.

#### Sub-measure 9.1 "Establishment of producer groups"

The measure is addressed to producer groups established after 1 January 2014. In this context, the measure is relevant as the level of partnerships in Romanian agriculture is very low and the groups or cooperatives have the potential to support members in the more efficient and advantageous marketing of agricultural production. Thus, from the theoretical point of view, the measure is considered relevant. All the actors interviewed on this measure (representatives of the NRDP MA as part of MADR, representatives of ARIF and representatives of the beneficiaries) agreed that this measure corresponds to a sufficiently high extent to the needs of the potential beneficiaries.

However, a number of impediments connected to the national context and the way the sub-measure is implemented in practice and which affects the real/practical relevance of the sub-measure have been identified. Some of these impediments are generated by the provisions of Regulation (EU) No. 1305/2013, but others are related to the actions of the NRDP MA or MADR (other departments).

Thus, the main impediment that can be mentioned is the small number of producer groups and organizations recognized by MADR and eligible for funding. According to the list drafted by MADR and published on its website, the number of producers groups and organizations recognized between 1 January 2014 and May 2017 (so that they could have requested funding in one of the sessions opened in 2016 and 2017) is 16, of which 10 producer groups and organizations have requested and obtained funding.

As a result, the tendency to associate of agricultural producers and farmers is the main cause for the lack of accessing the measure. This is relevant for the already associated producer groups, but it is not relevant enough to increase the farmers' motivation to associate.

On the other hand, the first call for sub-measure 9.1 was only launched in 2016. In 2014, more producer groups were set up than in 2015 (when there were 7 versus 3 registered in the MADR database). Given that the amount of funding in the first year after signing the contract is proportional to the value of marketed production since the first year of recognition<sup>29</sup>, producer groups set up in 2014 and selected in 2016 were to receive in 2016 a grant of 10% of the value marketed in 2014. In this context, producer groups set up in 2014 were not motivated at that time to have a too high value of registered marketed production for their first year since establishment, not taking into account the possibility of obtaining proportionate non-reimbursable financing. They were much more motivated in the year their financing application was submitted (2016 or 2017), but this mobilization did not have any strong effects, given that the funding received was to be, in the 3rd and 4th years of funding, proportional to production registered in 2016 and 2017, but amounting to 6% and 5% thereof, respectively. This mechanism for calculating funding does not, in the opinion of the interviewed actors, have the capacity to motivate producer groups and help mobilize future producer groups.

<sup>&</sup>lt;sup>29</sup> According to the Applicant's Guide, support is granted as a percentage of the value of marketed production through the producer group as follows:

<sup>•</sup> Year I since recognition - 10%, without exceeding the maximum amount of 100,000 euro/year;

Year II since recognition - 8%, without exceeding the maximum amount of 100.000 euro/year;

Year III since recognition - 6%, not exceeding the maximum amount of 100,000 euro / year;

<sup>•</sup> Year IV since recognition - 5%, without exceeding the maximum amount of 100.000 euro/year;

<sup>•</sup> Year V since recognition - 4%, without exceeding the maximum amount of 100.000 euro/year;

The amendments made in January 2019 to Law no. 566/2004 on agricultural cooperation, with subsequent amendments and supplements, have both encouraged and discouraged producer groups. Related to encouragement, clarifications have been made that the turnover tax for micro-enterprises is not applicable for agricultural cooperatives. This represents a substantial additional cost for producer groups, as it does not generate profit for them. The turnover tax, provided that the producer group markets their members' production and transfers payment collections to them, actually generates losses to be borne by the groups and further reduces their predilection towards association. At present, this turnover tax is no longer applicable, but members of the Board of Directors of producer groups are required to provide a guarantee of at least 10 equity interest (Article 30 of Law No 66/2004 on Agricultural Cooperative, with subsequent amendments). This condition is likely to further discourage the establishment of new producer groups and could lead to the disruption of some existing ones.

#### Sub-measure 9.1a "Establishment of producer groups in the fruit-growing sector"

The measure is addressed to producer groups in the fruit-growing sector established after 1 January 2014. Like sub-measure 9.1, the measure is relevant as the level of association in Romanian agriculture is very low and groups or cooperatives have the potential to support members in the more efficient and advantageous marketing of agricultural production. Thus, from a theoretical point of view, the measure is considered relevant. All actors interviewed in regards to this measure (representatives of the NRDP MA, representatives of ARIF) agreed that this measure corresponds quite well to the needs of potential beneficiaries.

However, beyond the impediments that make sub-measure 9.1 unattractive (related to the calculation of financial support and the administrative burden on calculation and proof of production marketed since the year the producer group is set up), sub-measure 9.1a faced a major barrier to accessing funds: no producer groups in the fruit-growing sector or including fruit production activity were recognized between 1 January 2014 and 31 December 2017.

Between 2018 and January 2019, 4 groups of fruit producers were registered and recognized by MADR, according to the list published on the ministry's website (these groups were recognized between November 2018 and January 2019). They represent the entire population eligible for funding under sub-measure 9.1a.

#### Measure 10 "Agri-environment and Climate" - packages 1, 2,5,9,10,11

If packages 1, 2 and 5 were provided by the NRPD in its first version, the introduction of the three new packages (9, 10, and 11) was discussed in the GL Environment on 7 September 2017 and in the MC meeting on 29 September 2017, and adopted by the amended NRPD on July 23, 2018.

The evidence gathered indicates that all packages of Measure 10, including those newly introduced, are based on a clear need related to the EU and Romania's environmental/biodiversity conservation goals. The new packages were introduced after their adequate substantiation in specialized studies financed under the NRDP. However, apart from consultations within the GL Environment, no other ex-ante analysis/public consultation have been carried out when these packages were introduced.

The low absorption of funds within Package 1 and  $2^{30}$  has been confirmed by all actors consulted in this evaluation, and is mainly due (in that order) to:

The results of teledetection control, carried out during different periods of the year when vegetation, especially in the mountain area, can have different aspects or in areas with minor changes (temporary forest road crossing the meadow) leading to the ineligibility of some territories (in

 $<sup>^{30}</sup>$  There has been a year-to-year improvement in this respect according to the data provided by APIA and the Annual Implementation Reports. In the 2018 campaign, an area of 743,464 ha was declared, compared to 2017 when the declared area was 532,959.83 ha.

some cases 20 out of 30 ha) with very serious consequences on the sanctions applied (recovery/debiting of the entire amount paid from the beginning of commitment for the entire eligible area, not just the one that became ineligible). For example, in a county visited during this evaluation on 31.12.2018, there were 7,198 debtors among APIA beneficiaries, of which 35% (2537) were EAFRD debtors. The Association of Cattle Breeders from Sita Buzăului, Covasna County, submitted Single Payment Requests for Packages 1 and 2 for only 35% of the total area (439.77 ha out of 1234.23 ha in 2018 and 3 years after the beginning of the period) in order to avoid possible sanctions for reasons beyond their control. In other counties, most of the beneficiaries were sanctioned following teledetection control and/or have decreased the areas for which the Single Payment Requests (on packages 1 and 2) were submitted from 265,000 ha in 2013 to 19,645 in 2017. The quick on-site visits still adjust the effects of this control, but APIA's capacity does not allow exhaustive control of this type. Over the last few years, the phenomenon of overstatement has declined significantly, including following the clarification of physical blocks, plots, their owners/users.

- Updating LPIS<sup>31</sup> (physical blocks) can have the same effects in terms of land eligibility and subsequent sanctions.
- Limiting the eligible land only to hayfield (for P2), unlike the previous CAP, which has reduced the eligible area<sup>32</sup>. The changes caused by the transition from the previous to the current period has had the same effect. By enforcing the relevant conditions, *large hayfields are favoured*, because it is easier for them to apply all applicable rules, especially those related to eco-conditionality and basic measures (GAEC/SRM).
- Concerning eco-conditionality, it is difficult to comply with the manure platform provided that the animals are free 3 months a year (i.e. manure cannot be collected and stored according to the provisions) and GAEC 1 (Creation/Maintenance of buffer strips in the vicinity of surface water).
- The need to harmonize the provisions of the NRDP/packages 1 and 2 with the legislative provisions in the field of forestry (Mountain Law, No. 197/2018 as of 20 July 2018), in order to clarify the conditions under which grasslands can be cleaned, according to applicable NRDP conditions, especially mountain areas where the Forest Division is considering expanding the forest fund (apparently the grasslands were cleaned of junipers but the Forest Division considered that cutting (some of) them/trees was agains the Mountain Law).
- (valid for all packages under this measure) Maintaining the commitment for a period of 5 years provided that the right of use during this period is not guaranteed by legislation.

Considering **Package 5**, the main reason why there has been no commitment, in spite of existing interest in the eligible area, is due to the difficulty of ensuring crop rotation (for two consecutive years farmers have to use at least 3 different crops of the 4 eligible ones (corn, sorghum, sunflower, soybean), but also the condition to use, simultaneously, at least 2 hybrids. Under current conditions it would be feasible to cultivate only one hybrid and 2 of the 3 varieties subject to rotation.)

Reducing the eligible area to 10 ha (only farmers holding less than 10 ha of arable land within the farm are eligible under this package) has lowered the attractiveness of this measure (despite the fact that in the 3 eligible ATUs in Argeş County, 90% of farms are under 10 ha) because the maximum amount that a farmer could receive per year (1,250 euro) is too low compared to the costs of meeting the enforced conditions, so the profitability of the package is low, especially given the price of seeds needed for the required (certified)

<sup>32</sup> Starting with application year 2019, under the Order of the Minister of Agriculture and Rural Development no. 99/2019 on the approval of the single payment request standard form for 2019, P2 may also be applied to permanent grassland and traditional orchards used mixedly if at least one mowing per year is carried out before grazing.

<sup>&</sup>lt;sup>31</sup> For the LPIS update, it is necessary to digitize/verify an area of at least 40,000 km² per year to cover, by 2020, approximately 130,000 km² delimited as agricultural areas. In addition to this area, further digitization is required in line with the ECSC DSCG/2014/33 - FINAL Working Document "Guidance Document on the Agricultural Parcel Identification System (LPIS) pursuant to Articles 5, 9 and 10 of the Delegated Regulation) nr. 640/2014 "and the EC DSCG/2014/31-FINAL Working Document (ZIE Layout Guide referred to in Article 70(2) of Regulation (EU) No 1306/2013)

crops. Taking into account the size of the farms, eligible farmers are elderly and they are not registered as legal entities. The necessity of avoiding double financing from the perspective of greening practices, which determined the establishment of this limit of 10 ha was not confirmed by the data gathered through interviews (at county APIA level), so it is necessary to re-analyse and possibly to adjust this condition (eliminating the limit of 10 ha).

Package 5 involves complex or, in any case, new techniques, which require a certain planning. Given the novelty of the measure, it was necessary to develop APIA implementation system, including the on-line system, which was completed late and thus the process of informing and implementing the package at local level could only be launched in 2016.

In the case of Package 9, all specific requirements are difficult to meet, in particular via correlation with the compensatory payment amount. All the evidence collected in this evaluation (through interviews) confirmed that although there is some interest in this package, the level of payment is insufficient compared to the losses incurred by farmers in complying with the specific conditions on arable land (9.1), especially those related to uncultivated and non-harvested areas, correlated with the costs of Single Payment Requests procedures (including administrative and on-site control). In some areas, the definition of eligible areas for the two sub-packages is insufficient, meaning that there is much grassland in the eligible areas for package 9.1 (arable land) and there is much arable land in the areas defined as eligible for package 9.2 (grassland).

Farmers were interested in **Package 10**, as confirmed by APIA Buzău (county and local centre), but following discussions it was concluded that the small amount of the single payment does not compensate for the losses incurred by observing the enforced conditions, namely that at least 30% of the area of each plot under commitment be uncultivated. As with other packages, the plot method creates reluctance in applying for financing.

The lack of attractiveness of package 11 (important agricultural land for bustards (Otis tarda)) is mainly due to the amount of the compensatory payment (sub-package 11.1 referring to arable land) compared to the losses (e.g. mowing) and the additional costs derived from complying with the relevant requirements. Of these, the most difficult to implement is crop rotation, which should consist of at least 20% of cereal grains, at least 40% of perennial crops (fodder crops – alfalfa, clover, mixtures of fodder crops with perennial herbage), at least 10% autumn rapeseed (11.1.2). Some requirements are unclear and it is necessary to detail the exact way of implementation/application for all parties: "Perennial crops will be cultivated on the entire area under commitment (fodder crops - alfalfa, clover, mixtures of fodder crops with perennial herbage) (first requirement for sub-package 11.1.1). Cultivation of alfalfa is difficult and costly because it requires specialized machinery and its marketing raises problems in Bihor County.

In addition, in Timiş County, bustards are almost entirely gone. Considering the specificity of this bird, it is difficult to determine whether the few specimens (2-7) seen in the area live in the eligible area or not. The 3 UATs in Timiş County have been added to Bihor County, where there are 40-50 confirmed specimens in order to create a dedicated package, which raises a problem of relevance.

An important aspect that reduces the attractiveness of packages 5, 9, 10 and 11 is the sustainability of measures taken to convert farmland according to the enforced conditions. It is unclear to what extent these packages will be extended in the next programming period; if this does not happen, the changes made must be reversed and the objectives pursued cannot be achieved given the period during which the packages have been implemented (2-3 years including 2019).

With regard to packages 9, 10 and 11, a problem that significantly affects implementation is the lack of payments-related software (in December 2018), making it virtually impossible to carry out any related action (especially making the payments themselves).

A number of issues have affected the attractiveness of Measure 10 in its entirety. These are:

- The impossibility of maintaining the committed area for a period of 5 years, provided that a large part of the land used by farmers for which payment is claimed is not owned but it is transferred or leased and the existing legal framework (including the Lease Law/Civil Code in effect) allows leasing for a shorter period of time than the 5 years mentioned under Measure 10<sup>33</sup>, in which case the reduction of the eligible area may bring large sanctions also for previous years. It would be necessary to change the Civil Code to keep the right of use for the commitment period, even if the owner changes. This change is necessary for other forms of transferring the right of use (e.g. the transfer of communal meadows), as well.
- Late contracting of training services under Measure 1 and counselling under Measure 2. Although the conditions for meeting the requirements applicable to all packages related to beneficiaries' competencies were flexible, a lack of them has redirected farmers to other suppliers, late, when the lack of certificates of competency jeopardized the commitments made. Counselling the potential beneficiaries of packages 5, 9, 1.0 11 could have created the premise of their increased attractiveness.

At program level, declaring the areas for APIA payments ineligible has a chain effect since eligibility in the APIA system depends on AFIR-managed funding.

Regarding the applicable legislative provisions that prevented the implementation of projects supported under measure 10, the MADR/MMAP/ANSVSA Order no. 352/636/54/2015 is notable, with its subsequent amendments and completions for the approval of eco-conditionality rules within the schemes and support measures for farmers in Romania. Thus, the legislation provides that farmers carrying out activities in areas vulnerable to nitrate pollution from agricultural sources are under obligation to have manure storage capacities without structural defects allowing leakage of effluents/manure, the size of which shall exceed the need for storing manure, taking into account the longest intervals forbidding the use of organic fertilizers. Manure storage is carried out on common platforms or individual systems.

Although compliance with eco-conditionality rules has been mentioned as a difficulty in implementation, it is necessary to clarify to and support farmers in this respect, rather than modify the Joint Order MADR/MMAP/ANSVSA no. 352/2015 for the approval of the eco-conditionality rules under the farm support schemes and measures in Romania.

#### **Sub-measure 15.1 "Payments for forest-environment commitments"**

Under sub-measure 15.1, *Payments for forest-environment commitments*, a single submission session was launched to support applications. Receipt of applications was initially planned between 25.04.2017-15.05.2017 and then extended until 15 June 2017, and the final report of the session was approved in September 2018, after examining the appeal received from one of the non-eligible applicants who filed a request for support and the publication of the complaints report. Of the 28 requests submitted, a request has been declared ineligible and an appeal has been registered, 9 requests have been incomplete, one request has been withdrawn. 16 financing applications were eligible. Most incomplete requests were not endorsed by the Forestry Monitoring Service, and for one of these requests this notice was withdrawn.

As with sub-measure 8.1, sub-measure 15.1 is particularly relevant from an environmental point of view, for ensuring areas for forest fauna and the responsible exploitation of the national forest fund. However, sub-measure 15.1 proved to be unattractive for forest owners due to the low support rate per ha/year (25 euro/ha/year) under Package 1 which provides quiet areas for areas of at least 20 % of the total eligible

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<sup>&</sup>lt;sup>33</sup> "If the duration is not determined, the lease shall be deemed to be made for the entire period necessary to harvest the crop which the agricultural product is to yield in the agricultural year in which the contract is concluded", Civil Code,Art. 1837,

surface, compact area within a production unit (P.U.) and a minimum of 20 ha. Moreover, the amount of support decreases to 75%, 50% and 35% of the value of 25/38 euro/ha/year for land over 500 ha, 1,000 ha and 5,000 ha, respectively. In the opinion of the interviewed applicants and forestry specialists (members of the NRPD MC), the amount provided in the first session of financing applications submission was far from covering the income losses generated by the exploitation restrictions. According to interviews with members of the NRDP 2014-2020 Monitoring Committee and representatives of the Forestry Monitoring Service, the income loss forecast by the Forestry Research and Development Institute, which was presented as representing the average income loss at national level, did not take into account all the losses whose value had to be covered, and the accuracy of the estimates was also affected by the increase in the price of wood material in the context of an increase in demand for this raw material.

Considering the Package II of the sub-measure, available only to Package 1 beneficiaries, where the available funding was much more attractive, i.e. 103/137 euro/ha for the use of equipment for collecting timber from forest scarcities, the problem is not the relevance or measure attractiveness, but feasibility. Lack of labour and necessary equipment, as well as poor infrastructure (lack of forestry roads providing access to most lands belonging to the forest fund) generates great difficulties in accessing funds from Package 2. Even if the measure responds to needs identified by forest specialists and is welcome, the limitations mentioned affect the beneficiaries' practical ability to access the financing under Package 2, even if it is relevant and desirable. Under these circumstances, the potential beneficiaries calculated only the payments for Package 1 as accessible for them in the process of financing, while Package 2 remains inaccessible due to local economic conditions.

According to Regulation (EU) No. 1305/2013, Art. 34 "the support provided as part of this measure shall be granted per hectare of forest to public and private forest owners, other private and public law bodies and their associations which voluntarily undertake to perform operations consisting of one or more forestry and climate commitments". Interviews have highlighted that the measure is difficult to implement in Romania because our country has very restrictive legislation on the exploitation of the forest fund, so that voluntary commitments representing additional exploitation restrictions are very few and become problematic in relation to the market demand of wood. However, both the Forestry Monitoring Service and representatives of the NRPD MC interviewed for this evaluation identified the high demand of wood and the relatively low supply in this market as a reason for the relatively low relevance of sub-measure 15.1. Low relevance in relation to the market was particularly emphasized, given that the value of Package I did not cover, at the first project submission session, according to the estimations of eligible forest owners and members of the NRDP 2014-2020 Monitoring Committee, specialists in the field of forestry, the total value of un-exploited timber (in the context of an increasing wood price dynamics) and other costs necessary to fulfil the commitment. This issue was later remedied by increasing the value of Pillar I funding for the second call for applications.

According to the Applicant's Guide: "Income loss under Package 1 refers to the amount of wood for hygiene products not harvested over a period of five years in the quiet areas and four years in the rest of the surface area associated with the planning units where scarcity works, restoration cuts and sanitation cuts works are planned, as well as those related to products resulting from preservation cuts over a period of five years over the total area committed to such works".

Thus, if in the absence of workforce and equipment, scarcity work is performed using modern equipment, the financing accessible only under Package 1 does not cover income losses because the calculation for the amount of compensatory aid did not take into account or did not grant an appropriate value for:

losses incurred by the condition of maintaining a volume of un-harvested wood in the planning units provided with restoration cuts. Loss of income reflects the cost of wood from sanitation cuts in planning units that undergo restoration cuts. Considering that in these years the volume collected from sanitation cuts has to be pre-deducted from the volume provided in the same planning unit with

- restoration cuts (according to the technical norms) it was necessary to keep an equivalent volume unharvested. However, failing to perform restoration cuts can cause greater losses in the development of the unit than simply compensating for sanitation cuts.
- transaction costs necessary to cover the costs of preparing the technical file and performing the annual management, throughout the implementation period of the commitment (5 years), of the information/documents required to implement the sub-measure (situation improved in 2018);

Additionally, owners of smaller forests are excluded from this measure because areas under 100 ha cannot benefit from individual support. The objective of this measure is to conserve biodiversity, and achieving this goal is more likely if commitments are applied to larger areas, while owners of areas under 100 ha can associate to access funding. On the other hand, given the poor accessibility of this sub-measure and, in general, the low degree of associativity between owners of land, including forests, the possibility of extending the eligibility to the areas under 100 ha (e.g. to surfaces of minimum 80 ha) could be analysed, with the preservation of another smaller threshold, or a more sustained and targeted communication on the possibility provided to owners of neighbouring forest land below 100 ha to associate.

It remains to be assessed whether the increase in the compensatory payment from 25 euro/ha/year to 38 euro/ha/year at the 2019 session will increase interest in forestry commitments and thus the degree of access to the measure.

## Improvements within the programme, the procedure for accessing NRPD measures or incidental national legislation (EA 3)

#### Sub-measure 1.1 "Support for vocational training and skills acquisition actions"

In order to make the measure more attractive, a number of elements are needed to simplify both the submission and the contracting and implementing projects process.

Firstly, in order to identify the target group within a reasonable timeframe, there should be a correlation between the launch of calls for project proposals related to sub-measure 1.1 on training and the launch of calls under sub-measures 6.1 and 6.3, namely packages of measure 10. In addition, farmers should be systematically informed on the possibility of obtaining the participation certificates required to access these sub-measures or packages, especially in the context in which those who cannot prove through a document that they have appropriate professional skills, commit themselves to obtaining the appropriate professional skills<sup>34</sup> (in case of sub-measure 6.1) during a maximum 33- month grace period upon the date when the individual decision for funds granting was adopted. In the case of sub-measure 6.3, (for a minimum score) they must provide proof of graduation of training courses/training/specialization in the agricultural, agri-food, veterinary or agrarian field, that does not require a document issued by trainers recognised by NAC and involves a number of hours below the number of hours required for Level I of professional qualification<sup>35</sup>. Thus, in the future, it should be clearly stated in applicant's guide that it is possible to carry out such training courses free of charge within this sub-measure. At present, the two guides make no reference to this possibility. Also, given the databases that ARIF and APIA have at their disposal, it is necessary to take measures to directly inform farmers about these opportunities for training. In addition, due to the issues raised during interviews, regarding the lack of updated data about the farmers, which contributed to the difficult identification of the target group, regular updating of the databases is necessary.

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 $<sup>^{34}</sup>$  The farmer must have or commit to acquiring professional skills and qualifications in relation to the type of farming they are about to carry out

<sup>&</sup>lt;sup>35</sup> Applicant's Guide to Sub-Measure 6.3 Business start-up aid for development of small farms, Session 2018.

Given that the maintaining the target group's involvement in the projects has created difficulties for the training providers (beneficiaries), in the future, we recommend the introduction of a mechanism whereby participants are stimulated/conditioned to participate in all the training sessions (throughout the training period).

Given that the evaluation, selection and contracting period has been seen as an element that has made it difficult to identify the target group, given the fact that they have gone to other training providers to obtain evidence of graduation, we recommend shortening this process by submitting financing applications exclusively on the on-line platform and improving it so as to allow the submission of the documentation required under the applicant's guide in an easy manner.

Modifying and improving certain selection criteria in terms of diminishing access conditions may be an important step in increasing the attractiveness of sub-measure 1.1, in particular the criterion on the principle of effective and accelerated implementation of the project. Given that many of the training providers have gone on to achieve the maximum score for this criterion, an unrealistic premise has been created in regards to the maximum duration of project implementation. In fact, the implementation period of the project activities has been somewhat delayed (mainly due to the public procurement process), so it was necessary to extend the implementation periods of projects and, implicitly, to conclude addenda to the contracts.

Another, further improvement that can help improve the accession rate of sub-measure 1.1 refers to the **necessary documentation required to prove the qualification requirements**, especially in the case of public education institutions. Interviews conducted among the beneficiaries highlighted the need to take steps to simplify the number of documents requested, especially documents proving the participation of training experts, in the last three years, to a form of training (courses, conferences, seminars, symposiums, etc.) in the field of activity for which they are proposed in the project.

As far as the project audit requirement is concerned, we recommend that it be carried out in the future without the beneficiaries having to submit, as part of the payment application file, all the verified documentation for performing the audit. Interviews identified an additional burden in the submission of all supporting documents to the financing application file, as long as there is a report on the project audit. In addition, in order to simplify the entire application-payment claim process, the **use of standard costs per unit** can be implemented, as is the case of call 3, so that costs can only be reimbursed on the basis of audit reports.

#### Sub-measure 1.2 "Support for demonstration projects/information activities"

In order to make the sub-measure more attractive, a number of elements are required to simplify the process of submission, contracting and implementation of projects, as well as to improve the information contained in the applicants' guides. Thus, we recommend that more/sufficient information on the contracting, implementation and payment phase be provided in the applicant's guides.

Improving certain selection criteria may be an important step in increasing the attractiveness of submeasure 1.2, in particular the criterion on *the principle of efficient and accelerated implementation of the project*.

As far as the project audit requirement is concerned, we recommend that it be carried out in the future without the beneficiaries having to submit, as part of the payment application file, all the verified documentation for performing the audit. Interviews identified an additional burden in the submission of all supporting documents to the financing application file, as long as there is a report on the project audit. In addition, in order to simplify the entire application-payment claim process, the **use of standard costs per** 

**unit** can be implemented, as is the case of call 3, so that costs can only be reimbursed on the basis of audit reports.

We recommend to abandon the principle of fund usage efficiency, given the maximum cost per participant per day proposed in the applicant's guide, which is anyway unattractive to potential applicants under this sub-measure.

Considering the identification of the target group and the difficulties to be identified on this level, we recommend that in the future there should be a well-defined correlation between sub-measure 1.2 and the sub-measures within which the (joint) target group receives funding. Detailed information on the activities targeted under sub-measure 1.2 should be found in each applicant's guide, developed under these sub-measures, so that farmers, or at least project consultants, to become aware of such possibilities.

#### Sub-measure 2.1 "Support to help benefitting from the use of advisory services"

In order to increase the accession level, it is necessary to consider the simplification of the criteria set out in the awarding documentation, especially regarding technical and financial capacity. Considering the launch of the procedure on plots, according to the development region, it is necessary to reduce the average of the global turnover in the last 3 financial years.

Additionally, in line with the decrease in the business environment, it is necessary to reduce the value of contracts resulting from the provision of advisory services in the last 3 years so that companies at local level can qualify, even if a partnership is needed in order to enhance the capacity for technical expertise.

Considering the request of supporting documents related to the experts proposed in the technical tender (contracts mentioning the projects in which these experts were involved), the information gathered indicated the need to demonstrate the expertise, including through letters of recommendation issued by employers, without a need to send some extracts issued by the Electronic Personnel Registry. Also, when requesting supporting documents for compliance with the requirements of the DUAE document, with regard to the submission of the balance sheet of the winning provider, the MA should only request parts of it, and not the entire document itself, containing many pages.

Considering the contracting procedure, given that it has been delayed, in particular due to the long offer evaluation period, coupled with certain clarification requests, in order not to jeopardize the implementation of the projects, measures should be taken at MA level to strengthen the institutional capacity of the staff assigned to the management of this sub-measure. Also, in the future, steps should be taken to ensure internal coherence in the launch of sub-measures whose potential beneficiaries can also benefit from counselling.

Another aspect that needs to be improved when implementing this sub-measure refers to better informing potential tenderers on the implementation of this sub-measure, as well as on the start-up periods. Not all advisory services companies have a commercial department to deal exclusively with monitoring new tenders. Therefore, better communication and information of advisory companies is needed at both national and county level. Although a series of profile events (information campaigns, meetings with LAGs) were organised by the MA, at regional level, the information campaigns on these sub-measures should be made at the level of each county.

#### Sub-measure 3.1 "Support for new participation in Quality Schemes"

In order to make this measure attractive, it is first of all necessary to complete the procedure for notification of the Romanian traditional product schemes to the European Commission, so that adherence to them is

eligible for financing under the NRDP 2014-2020 sub-measure 3.1. In this sense, there should be a closer collaboration between the General Directorate for Policies in Food and Trade Industry, responsible for the notification of traditional product schemes and the General Directorate for Rural Development (NRDP MA), given its interest in increasing the real (not just theoretical) relevance of sub-measure 3.1.

It is necessary to verify the interpretation of Article 16 line (3) of Regulation (EU) 1305/2013 which refers to granting financial support in the form of an annual financial incentive, whose level is determined by the fixed costs resulting from participation in the quality scheme. Thus, this provision can be interpreted as a regulation on the method of calculating the flat-rate amount of the support, or as a regulation on the reimbursement of costs involved in participation in the quality scheme. It is necessary to consult the European Commission in order to clarify this aspect and possibly simplify the procedure by replacing the administratively difficult procedure with the automatic payment procedure of an annual incentive.

It is necessary to re-evaluate the sub-measure in relation to Regulation (EU) nr. 1305/2013, and its implementation in other Member States. Taking into account the very small number of products already certified in Romania, it is worth exploring whether funding could also be available for proposing new products through which farmers can adhere to the four quality schemes described in Regulation (EU) 1151/2012.

Sub-measure 4.2a "Investments for processing/marketing of agricultural products" and Sub-measure 4.2a "Investments for processing/marketing of agricultural products" - ITI Danube Delta

In order to increase the attractiveness of measure 4.2.a but to also to absorb the funds still available, the steps to be taken are:

- The launch, as soon as possible, of a call for national projects covering ITI territory and available budget for 4.2a ITI. The call and related documentation should also contain substantial information on the loan facilities newly launched by MADR in partnership with the EIF, so that potential beneficiaries can provide the requested co-financing. Given the complexity and duration of the 4.2a projects, if a new (and final) call cannot be launched quickly, the money should be redistributed to measures 4.1a for the benefit of the sector.
- In the future, a better correlation with measure 16.1a is needed in order for potential beneficiaries to be able to benefit from the greater support (especially given that the degree of support will be maintained during the upcoming programming period). Promotion actions should target the stakeholders in the fruit-growing sector (processors) in a specific and active way (through face-to-face meetings with potential beneficiaries) and be strategically organized to achieve the objectives of the sub-strategy rather than of just one measure thereof.
- Increasing flexibility in the eligibility of beneficiaries regarding the location of investment in areas included in Annex II of STP/use of the production obtained in orchards established under 4.1a.
- Establishing a technical group of fruit-growing farmers at MA/ARIF level to include specialized institutes/specialists, likely to approve all 4.2a projects prior to their submission (as in the case of measure 4.1a).
- In order to avoid situations where selected projects have not been contracted due to delays in obtaining the environmental certificate (EIM), it is necessary to submit, together with the financing application, proof evidencing the fact that the procedure was commenced, so that it is available at the time of contracting.
- In the future, a more strategic approach is needed which takes into account results at sector level, according to the strategy, and avoids focusing on measure 4.1a, as it was the case in this programming period.

Sub-measure 6.3 " Business start-up aid for development of small farms" - ITI Danube Delta

Although there are positive prerequisites to continue submitting projects under this sub-measure, and thus spending the allocated budget in order to increase the accessibility of sub-measure 6.3 ITI, the following improvements are necessary:

- Considering that the wording of the conditions and criteria in the applicant's guide contributed to their different interpretation by the applicants on the one hand, and on the other hand by the ARIF evaluators, we recommend revising the terminology in the applicant's guide to a level specific to the target group. The review should be carried out in conjunction with the evaluation sheet in such a way that the correspondence between the criteria and their fulfilment is clear. Also, in the future, it could be worthwhile to consult (in particular, in an active manner, through face-to-face meetings) with the beneficiaries and the consultants (in particular) on the provisions of the applicant's guide.
- Considering that the launch of the project submission sessions was carried out in parallel with other sub-measures, aspect which determined the potential beneficiaries to apply for other sub-measures where they had access to a larger budget than that of sub-measure 6.3 ITI, we recommend that in the future the target group be better delimited, and, as a result, the intervention logic of the sub-measure, better defined. In addition, given the specific nature of agricultural activities, calls should be launched in the first part of the year, so that farmers can benefit from timely support.
- In view of the difficulties in obtaining the documents required for the financing application and the business plans, it has been proposed that the institutions responsible for issuing the requested documents, mainly the City Halls, be better informed on the procedural steps to obtain authorizations, thus shortening the entire process of obtaining and the costs involved in such a process.
- Considering the documents to be submitted during the application phase for the second instalment, the submission of the commissioning protocol should not be requested, as not all equipment suppliers issue such a document.
- Taking into account the requirement for agricultural production registration by the applicant, in their own name or in the form of an organization eligible to access the support, at least 24 months before requesting support under this sub-measure, in the Single Identification Register (APIA) and/or in the National Register of Holdings (ANSVSA), as well as in the City Hall in the Agricultural Register, we recommend that potential applicants be informed of the requirements of the sub-measure on time so that they can register holdings as required. Also, given that there have been cases of grant applications that have been declared ineligible for this reason, we recommend shortening the 12-month period so as to give a chance to those individuals whose period of registration with APIA/ANSVSA is less than 24 months.
- Considering that fulfilment of the selection criterion regarding the submission of evidence on the graduation of courses of initiation/training/specialization in the agricultural, agri-food, veterinary or agrarian economy was difficult for farmers, in the sense that, for the establishment of the Self-employed person form of entity (PFA) they already had to prove they had graduated such a course, it is recommended that, in the future, sub-measure 1.1 be launched in advance/at the beginning of the NRPD implementation period, and farmers should be permanently informed about this possibility. This way, the additional costs that farmers have to bear could be eliminated.

#### Sub-measure 6.5 "The small farmers scheme"

In order to increase access to sub-measure 6.5, the following improvements are required:

Implementing additional projects, implemented by GALs, coordinated/synchronized or in partnership, or possibly funded from other funds, as Regulation (EU) no.1305/2013 does not include such distinct funding measures to support potential applicants of sub-measure 6.5 to access funding and to prepare annual payment applications. Support is necessary on several levels: (a) Ensuring eligibility by checking the existence of the holding in the beneficiaries database of the Simplified Small Farmers Scheme in Pillar I; (b) minimal legal guidance on the reduction of legal

- documents for the transfer of land and regarding supporting documents required to prove ownership; (c) online completion of the application (see the following points in this list); (d) filling in payment claims, especially if their format is not substantially simplified (as recommended in the response to evaluation question 5).
- Providing potential applicants, at the level of each ARIF County Office, with a telephone number and contact person name for additional information that may be requested by potential beneficiaries specifically for this sub-measure and its promotion. Considering that, given the relatively small amount of funding granted, the sub-measure is not of interest to consultants, it can be estimated that requests for information may be more numerous and, in some cases, less common than previously experienced by ARIF on informing potential beneficiaries of investment projects.
- Given the level of digital e-skills specific to the target group of potential eligible applicants of submeasure 6.5, it is advisable to designate a person within each ARIF County Office or to enter into partnerships with agricultural chambers and/or GALs to effectively support potential eligible applicants in submitting applications online.
- Clarifying the procedures for notifying the transfer of holdings to APIA in a manner understandable by the applicants. Even though these rules are provided in the Applicant's Guide, it has proven to be inadequate, resulting in the ineligibility of a large number of financing applications. The beneficiary interviewed for this evaluation stated that they had asked APIA for evidence of the transfer of their holding and encountered problems in obtaining this document.
- Simplifying the format and conditions for submitting the financing application (see the recommendations formulated in response to the evaluation question 5 for details).
- It is recommended to increase the capacity of agricultural chambers to support applicants in applying for funds under sub-measure 6.5 and eventually to develop them as to promote the measure. The beneficiary interviewed for this evaluation pointed out that he/she received support from the agricultural chamber, but that (a) only one person in the structure of the Călărași agricultural chamber handles advisory services for accessing NRDP 2014-2020 funds and (b) support services could not be taxed, as the Călărași agricultural chamber did not have any set fees for advisory services offered under sub-measure 6.5, which indicates the institution's lack of preparation for accessing this sub-measure in the county.

At the same time, it should be emphasized that the success of this measure also depends on the implementation of the National Cadastre Program and the project to increase the coverage of the national cadastre system implemented by the Land Registry National Agency (ANCPI) with support from the ERDF under the Regional Operational Program (ROP) 2014-2020.

A good point is abandoning the request for lease agreements as authenticated by a notary, since this is a supplementary request to the legal condition of the lease. According to article 1838 of the Civil Code, the lease contract must be concluded in writing and filed with the local council of the territorial administrative unit where the holding is located.

#### Sub-measure 8.1 "Support for afforestation/creation of woodland"

The most relevant improvements for increasing the rate of accessing sub-measure 8.1 have to be included in the national legislation and in the programme, in order to raise its relevance, as follows:

- Reviewing the provisions of the laws on forestry regarding the forestry plantations established on agricultural lands, forest protection areas and roadside trees meant to support the increase in productivity and quality of the agricultural production around them or to facilitate the maintenance of the roads (by preventing the effects of blizzard). In this regard, a thorough review of the legislation on forestry is necessary, conducted by the experts in the field;
- Reviewing the amounts representing the level of the standard costs covered by the financing in order to increase the attractiveness of the measure and of the compensation provided for all income

- loss. We refer here in particular to the fact that, for the moment, the standard costs do not cover valuable loses for lands which are non-agricultural lands, but which would have potential for generating income in another way, for example, by developing some buildings on them, or by being used for agricultural production;
- Reviewing the requirements on lands which are not considered agricultural lands, for which no compensation is paid in case of income loss. Currently, the non-agricultural eligible land is defined as "a land surface which is not used for agricultural purpose (however, included in the physical blocks identified in LPIS Land Parcel Identification System) or which is used for agricultural purposes as arable land, permanent crops and permanent meadows, being identified in LPIS, but for which no minimum level of maintenance has been provided, in accordance with the relevant eco-conditionality standards, for the last 2 years (to cover minimum 2 integral campaigns of unique payment requests submission)". However, an area which has not been properly maintained for 2 years can become agriculturally productive and the owner of such area can estimate agricultural income for at least 6 of the following 12 years. If, by sub-measure 8.1, the respective owner's income loss is not covered, accessing this financing line is no longer attractive to him. The estimation of income loses can be done considering similar lands, with the same positioning and the same agricultural potential, but which have been maintained and for which one can calculate both the costs and the income generated by the exploitation.

For the avoidance of any doubts and delays in the project selection and contracts conclusion, the individuals interviewed, involved in programme, and especially sub-measure 8.1., management structure, starting with the representatives of NRDP MA and including the representatives of the Forestry Monitoring Services Guard, emphasised the necessity that the Delegation Contracts from AFIR to APIA and the Forestry Monitoring Service and all working procedures of these institutions, separately and together, needed for the implementation of sub-measure 8.1, be reviewed and changed, if appropriate, in order to prevent the institutional standstill occurred within the previous funding sessions (2016 and 2017).

The Applicant's Guide (for both sessions launched and closed, in 2016 and 2017) represents a set of long and complex documents and the interviewed beneficiary and the representatives of NRDP MA and NRDP MC agreed that it should be reviewed in a more structured manner in terms of the logical phases required for the project submission. However, no specific elements which would create doubts were identified within the Guide and the fact that all the applicants for funding submitted eligible requests confirms that there are no major issues related to the Applicant's Guide.

### Sub-measure 9.1 "Establishment of producer groups" Sub-measure 9.1a "Establishment of producer groups in the fruit-growing sector"

The implementation of additional projects is necessary, projects implemented by GALs, coordinated/synchronised or in partnership, or, possibly, financed from other funds, as the (EU) Regulation no. 1305/2013 does not include such distinct measures of financing, in order to encourage producers associativity, including by mediating the negotiations for their association.

Moreover, it would be advisable to finance (within GALs activities or by alternative sources of financing) certain interventions for the development of the entrepreneurial abilities on the level of producer groups, once they start to form partnerships.

The amendment of Law no. 566/2004 on agricultural cooperation, as subsequently amended and supplemented would be necessary and the abandonment of the requirements regarding the bond/guarantee that has to be established by the members of the Board of Directors.

Due to the fact that the beneficiaries rely, mostly, on the support received from consultants, it would be required, from the beneficiaries' perspective, to implement certain means of recognising the quality of advisory services which can allow the producers to select and contact serious consultants.

#### Measure 10 "Agri-environment and climate" - packages 1, 2,5,9,10,11

In order to encourage accessing the packages reviewed within this measure, the following interventions are required:

- Testing the feasibility of implementing the new packages before they are included in NRDP and ensuring the customised notification of the potential beneficiaries on the opportunities and related requirements;
- Reviewing the amount of compensatory payments granted in particular for the arable lands, in order to ensure that it reflects the actual expenditure and loss of farmers;
- Comprehensive notification of the beneficiaries regarding Order no. 1416/2018 on the amendment and supplement of the Order of the Minister of Agriculture and Rural Development no. 999/2016 on the approval of the system for administrative penalties for eco-conditionality, applicable to the aid schemes and measures for farmers starting with 2016 in particular to clarify the dimension of risk (which derives from the 5% control sample, 1% for eco-conditionality);
- Informing the potential and actual beneficiaries of the penalties regime in case of overstatement but also adjusting it so that the penalties apply only to the lands that became non-eligible following the control (on-site or by teledetection) and not to the entire area and/or not retrospectively.
- Providing explanations / additional information in relation to some requirements applicable to the new packages (for example package 11.1.1, requirements 1 "there shall be cultivated perennial crops on the entire area under commitment (fodder crops alfalfa, clover, mixtures of fodder crops with perennial herbage)") but also reviewing the eligible UATs (package 9 Covasna and package 11 Timis);
- Involving the City Halls or an expert who should cover 2-3 UATs, the GALs or the agricultural chambers for proximity in collaborating with the beneficiaries, especially small and old farmers.
- Clarifying the "sustainability" requirements, respectively, if an arable land is transformed in meadow for 5 years, during this period, what are the plans for the period following those 5 years?
- Clarifying the legislative provisions in forestry on cleaning the meadows (creeping pine) when and how this can be performed and thus complying with the NRDP requirements without violating the forest code and the related applicable laws.
- Amending the Civil Code to ensure that the beneficiaries are entitled to use the area during the 5 year period of commitment, in order to avoid the same penalties deriving from the decrease of the eligible area without the beneficiary's fault;

#### **Sub-measure 15.1 "Payments for forest-environment commitments"**

In administrative terms, sub-measure 15.1 has had a series of impediments related to the fact that the areas in the forestry fund eligible for the aid had to be loaded/ imported in the IPA database to identify the locations and boundaries. Moreover, in order to improve and standardize the process for drafting the technical file, its approval and the submission of the financing application/ payment request, the Forestry Monitoring Service has to connect to IPA system.

The lack of the endorsement issued by the Forestry Monitoring Service represented an eligibility issue for more than a third of the applicants. In this respect, the procedures of the Forestry Monitoring Service have to be drafted so that they allow very fast granting of the endorsement for the people requesting it in order to access sub-measure 15.1, considering the objective of increasing the accession and absorption rate for the forest-environment measure.

It also has to be clarified how the controls of woods with a forestry development exceeding the borders of neighbouring counties shall be conducted.

The stages (submission, evaluation, contracting, implementing) created the most numerous issues in accessing the measures among the beneficiaries (IE 4)

#### Sub-measure 1.1 "Support for vocational training and skills acquisition actions"

This measure, with all the three stages, included challenges of various nature. Besides the challenges in the submission phase, presented under question 1, the delays in the evaluation - selection -contracting process contributed in a great extent to the withdrawal of some projects, respectively, termination of some contracts that had been concluded. Data collected show the fact that the long period of selection and contracting led to the impossibility of engaging the target group which, in order to benefit from the financing instalments within the projects / commitments they concluded, turned to other providers of training in order to obtain the training certificates/ authorisations that had to be provided in a certain time frame, according to the specific requirements of each Applicant Guide related to the sub-measures/ packages chosen. A specific case which faced such difficulties was the University of Agronomic Sciences and Veterinary Medicine of Bucharest, which submitted two projects as project leader and two projects in partnership with other institutions. The information provided by the representatives of the institution, within the interview, confirmed the fact that the evaluation - selection -contracting process was long, which hindered their activity of identifying the target group. Accordingly, all the four contracts were terminated due to this issue.

Regarding the process of amending the contracts, according to the results of the survey among the beneficiaries (providers of vocational training), 67% of the respondents answering this question stated that they amended the financing contract. This process was carried out fast to a large extent (50%) and to a very large extent (33%). The amendment of these contracts was done by signing some addenda. No major impediments were identified by the providers of vocational training with respect to the amendment of the contracts. Originally, the documentation for the amendment of the contracts by addendum had to be submitted in hard copy, at the headquarters of Regional Centre for Rural Investment Financing within the county for which the respective projects were submitted. This aspect represented an inconvenience, especially for the providers of training whose headquarters was not in the respective counties where the projects had been submitted for implementation. Subsequently, considering the beneficiaries' requests, a waiver was ordered and the addenda could be submitted electronically.

Among other impediments identified in the process of amending the contracts the following can be found: lack of clarity of the cases making the object of the financing contract amendment by addendum/approval report regarding the amendment of the contract / notification regarding the amendment of the contract (to a very low extent), lack of clarity of the institution responsible for the amendments of the contracts (to a very low extent), lack of clarity of the steps to be followed in order to amend the contract (to a very low extent), lack of clarity of the documents that have to be submitted by the beneficiary for amendment (to a very low extent), the volume of documents the beneficiary has to submit for the amendment of the contract (to a low extent).

The instructions regarding the public procurement issued by AFIR (related to the Manual for Procurement for private beneficiaries) were to a very large extent (37%) and to a large extent (25%) transparent, clear and complete. The qualitative research did not identify impediments regarding these instructions.

Regarding the payment claims, these were carried out, to a large extent, in accordance with the expectations of the beneficiaries. These were settled within the time frame provided for within the payment procedure. According to the results of the survey conducted among the beneficiaries, the manner of drafting the payment claim is clear, to a very large extent (25%) and to a large extent (38%). The training providers received, to a large and very large extent (63%), guidance for preparing the payment claims files. Moreover,

from the information gathered, delays in processing the payment claims files and/or pay-outs seem to be recorded to a low and very low (73%) extent.

The monitoring of the projects under sub-measure 1.1 is carried out, to a very large extent, without impediments. According to the results of the survey, 71% of the respondents were visited by AFIR, being informed/ notified in advance, to a very large extent and to a large extent (80%), about the control visit. Regarding the issues faced during the control (requests for documents that could not be presented, etc.), the respondents reckon that there were, to a very low extent, such impediments.

#### **Sub-measure 1.2 "Support for demonstration projects/information actions"**

Regarding sub-measure 1.2, no additional information in relation to the answers for questions 1 and 2 can be brought, considering that the contracting phase has not been completed and the implementation activity has not been started. The people interviewed, within the two companies which submitted 4 of the 7 financing applications, stated that they had not been yet informed about signing the contracts.

According to the evaluation and selection reports existing on the NRDP MA website, by the time this report was drafted, no projects had been withdrawn.

#### Sub-measure 2.1 "Support to help benefitting from the use of advisory services"

Within this measure, there were no situations of projects (tenders) withdrawal due to the delays recorded in the selection and contracting process. The process for amending the contracts is carried out, to a large extent, without obstacles. There have been no major changes that would impede the implementation of the projects.

The payment claims/pay-out process is carried out, to a very large extent, without impediments. The financing under the contracts can be requested after the inspection and approval of the Intermediary/ Final Activity Reports by the DGDR – NRDP MA. No advance payment is stipulated, which could represent an impediment for the companies lacking enough resources to organise some activities in advance. This aspect came out within the interviews and it is considered as a restrictive element for the potential tenderers.

The monitoring procedure is carried out, to a large extent, without impediments, for all those 9 contracts under implementation.

#### Sub-measure 3.1 "Support for new participation in quality schemes"

Considering sub-measure 3.1, a detailed answer to this evaluation question cannot be expressed. Whereas no farmer that could have been an eligible beneficiary applied for financing, the weak points or other impediments occurring in the funds application and absorption process (submission, evaluation, contracting, and implementation) could not be identified in practice.

Sub-Measure 4.2a - "Investments for processing/marketing of agricultural products" and Sub-measure 4.2a "Investments for processing/marketing of agricultural products" - ITI Danube Delta

70% of the beneficiaries consider that it was easy / very easy to prepare the financing application (only 1 beneficiary prepared the financing application without support from a consultant, whose support was considered appropriate). Preparing the budget, filling in the table with indicators and risk factors raised the most challenges when filling in the financing application, which shows a more reduced ability of the beneficiaries to think in outcome terms.

The evaluation and selection process raised challenges especially within the first call, where there were cases when the project was declared non-eligible following the on-site visit and no additional information were requested, although the Applicant's Guide stipulated the possibility to request explanations before the on-site visit. On the other hand, the evaluation and selection criteria do not raise special issues. The contracting itself is just partially troublesome (although the process is considered somehow long and 40% of the beneficiaries considered difficult/ extremely difficult to provide all the required documents), more difficult being the situations in which the contracts related to the already selected projects are abandoned (as it is the case of AVITA Bacau, which could not provide the co-financing for a selected project, with a very high budget (EUR 970,000.00).

Regarding implementation, based on the information collected (including by short, on the phone interviews, with all those 15 beneficiaries) there are no major challenges (75% of the respondents to the survey consider that the manner of drafting the activity reports and the payment claims is clear (only 40%), however, but more guidelines are necessary for this purpose). More challenges were faced during the inspection of the technical project, which lasts very long (in the beneficiaries' opinion) and, at the same time, it does not seem to be conducted based on a clear quality grid. There is the risk that the signed contracts be terminated (considering the increase in the prices for equipment, natural or artificial - by the producers, when they understand that it is about an European financing), however, the deposit provided by AFIR facilitates the implementation widely. Under these circumstances, compliance with the time frame for implementation is troublesome for the beneficiaries, especially due to the difficulties of public procurement and of the building and assembling phase (also validated by the results of the survey).

The amendment of contracts and the inspections do not raise outstanding issues, however, there are delays in the performance of the payments. In general, 57.14% of the beneficiaries consider that accessing Measure 4.2a was difficult.

#### Sub-measure 6.3 " Business start-up aid for development of small farms " - ITI Danube Delta

According to the interviews conducted and to the focus groups, as well as to the results of the survey among the beneficiaries, the submission - selection - payment phases generated/ generates to an average extent, impediments in accessing sub-measure 6.3 ITI.

Considering the results of the survey among the beneficiaries, most of them (97%) asked for the support of the consultants when submitting the projects. Without their support, the farmers could not access the available financing. According to the beneficiaries consulted, considering the requirements for, including, the submission of the payment files, these could not have managed without the support of the consultants, especially considering that farmers lack training in this regard.

However, 57% of the respondents stated that accessing the sub-measure (meeting the requirements under the Applicant's Guide and preparing the financing application) was convenient. Instead, the consultants faced a series of impediments for the online submission of the financing applications. The information collected within the focus group confirms the fact that online submission was/ is difficult, especially due to the requirements regarding the electronic signature each applicant must have. This aspect implies an additional cost that the farmer has to cover. Furthermore, considering that the sub-measure addresses a specific target group that lacks digital abilities, this aspect represents a difficulty even for those who asked ask for the support of an consultant.

Another element identified as impediment during the submission phase, both by the consultants and by the beneficiaries, refers to the documents required. The information collected confirms the fact that the number of the documents required in the submission phase impeded, to a great extent, the process for accessing sub-measure 6.3 ITI, considering that such documents had to be obtained from various institutions (City

Hall, ANSVSA, APIA). Furthermore, the difficulty in obtaining them was also identified in terms of the necessary costs (around 1000 euro) and of the time farmers spent in this respect.

The evaluation - selection period was characterised by the beneficiaries and consultants as long, however, this aspect contributed, to a low extent, to the withdrawal of projects. Another aspect emphasised within the focus group with the consultants refers to the fact that the Applicant's Guide does not stipulate the time frame in which the evaluation of the financing application or the pay-out has to be done. Instead, the Applicant's Guide stipulates the time frame in which the payment claims are processed, respectively, the pay-out (*Payment shall be made by AFIR within maximum 90 days from the date the Payment Claim File is registered with OJFIR*.)

Regarding the contracting phase of the projects, the beneficiaries estimate that, to a large extent, it was convenient (58%) and very convenient (13%) to provide all the documents necessary and to sign the financing decision. Thus, the results of the survey among the beneficiaries show that the contracting process was, to a large extent (49%) and very large extent (13%), covered quickly. Moreover, 89% of the respondents consider that there are no provisions under the contract that are difficult to fulfil/apply. For 97% of the respondents, the contract was not amended, aspect that can justify its provisions as convenient to be applied.

The payment claims phase was identified, to a large extent, as an impediment in the implementation of projects. The consultants emphasised the fact that there were some cases in which the payment claim files, for some of the beneficiaries, were returned due to the fact that they lacked certain documents they could not obtain from certain providers. Moreover, the large volume of the documents required in this phase represented a serious burden in relation to the amount of EUR 15,000 granted for each project. In this respect, the beneficiaries had to (by the beginning of this year) submit copies of all the receipts, so that the selling of the products according to the estimations set in the business plan could be justified. Thus, there were cases in which the payment files (for the second instalment) included up to 400 pages.

Regarding the preparation of the payment claims, the beneficiaries (58%) reckoned, to a large extent, that they received enough guidance for the preparation of the files, aspect which led, to a low extent (43%), to some delays in the processing of the payment files/pay-outs.

97% of the respondents benefited from an inspection visit from AFIR. According to the results of the survey among the beneficiaries, 54% of the respondents were notified in advance, to a large extent, about the inspection visit and 36% of them were notified to a very large extent. Only 10% were notified to a low extent.

Regarding the issues faced during the inspection (requests for documents that could not be presented, etc.), 76% of the respondents faced, to a very low extent, such impediments. Only 10% of the beneficiaries confirmed they faced some impediments to a large and very large extent. According to the consultants, these impediments derived from the fact that the on-site visit was conducted, for some of the beneficiaries, later from the date of the request for the second instalment and thus, meanwhile, they were affected by certain calamities (natural, bee diseases, etc.).

#### Sub-measure 6.5 "The small farmers scheme"

According to the interviews conducted with applicants who submitted non-eligible projects and with a project beneficiary under sub-measure 6.5 (of the two beneficiaries who have contracts in progress<sup>36</sup>) it results that all the phases of the process for accessing financing raise problems, as follows:

 $<sup>^{36}</sup>$  Overall, 3 contracts were concluded, following the submission of 23 applications for financing. One of the beneficiaries died and the contract was terminated.

- During the registration stage on the AFIR platform: the interviewed beneficiary did not manage to connect to the AFIR platform and required support from the Agricultural Chamber. Due to the fact that the project was prepared a year before the interview was conducted, the interviewed person could not identify precisely where the problem occurred, but it is certain that for the level of digital abilities specific to the target group of potential applicants eligible for the sub-measure 6.5 a better explanation of the electronic procedures seems to be necessary.
- Quring the phase of financing applications submission:
  - the rejected applicants interviewed were rejected (as well as a large number of noneligible applicants who submitted financing applications in 2016) because they did not meet a requirement stipulated under the Applicant's Guide, but which was additional to the legal requirements: the authenticated form of the Agricultural Lease Contract. According to AFIR, the authenticated form of the Agricultural Lease Contract for the applicants who submitted financing applications in 2016 was stipulated under the Applicant's Guide in order to make the Agricultural Lease Contract enforceable against third parties, considering that the 20-year lease does not represent a permanent transfer of property. Although the reasoning can be accepted and represents a warranty for the provisions of a transparent and clear civil circuit of the property, the fact that a requirement, in addition to the legal one, was included regarding the form of the Agricultural Lease Contract raised problems to the applicants.
  - Moreover, in the session of 2016, a large number of applicants were rejected due to the misunderstanding of the requirements regarding the length of the Agricultural Lease Contract. Although the Applicant's Guide stated clearly that in case of property transfers by lease, the Agricultural Lease Contract for the lands within the exploitation had to be concluded for a minimum period of 20 years starting with the year the financing application was submitted, many applicants concluded the contract for 20 years from the signing date, losing a few days or weeks in relation to the minimum period and becoming thus non-eligible.
  - o For all the people interviewed, the procedure for notifying APIA with respect to the exploitation transfer was unclear.

To that effect: the additional requirements to the legal ones, the misunderstanding by the applicants of some eligibility requirements and of the procedures led to non-eligibility for a very large number of applicants

- During the phase of the financing applications evaluation: issues related to the manner of proving the ownership of some lands may occur, considering the overall situation of the cadastre on the national level. The applicants may complete the request with other documents by which they can prove the ownership, however, these are not available in all cases.
- During the contracting phase: the interviewed beneficiary signalled issues in convincing the banks to fill in the financial identification appendix in the form requested by AFIR.
- During the contract implementation phase: the interviewed beneficiary signalled issues in filling in the payment claims. On one hand, the recurrent request of the financial identification appendix raises issues in the relationship with the banks, on the other hand, the applicant encountered problems when filling in the Statement on the recheduling of payment claims submission (Form AP 0.1) and faced an excessive formalism from AFIR personnel who refused to accept certain documents due to some format flaws of the document.

It has to be considered that both the beneficiary of financing and the rejected applicants got support for filling in the financing applications from family members with legal knowledge and/or experience in accessing funds within SAPARD and NRDP 2007-2013. Under these circumstances, regarding the individuals who lack digital skills, experience in accessing funds for agriculture from AFIR and legal knowledge, the impediments to accessing the funds are insurmountable, fact proven by the very low number of applicants (23) and the extremely low number of contracting beneficiaries (3).

#### Sub-measure 8.1 " Support for afforestation/creation of woodland"

The process for requesting support under sub-measure 8.1 is not considered as a difficult one. The technical projects are drafted in accordance with the legislation on forest, by certified experts and receive the endorsement of the Forestry Monitoring Services. The interviewed people emphasised that at least within the first session, this endorsement arrived with some delays, but this aspect was not crucial in determining the small number of applicants. However, for the session in 2016, the amendments brought to the Applicant's Guide during the session generated additional costs and preparing time, as the Technical Projects were re-drafted by the beneficiaries in order to include the new eligible costs related to the fencing of the forestry plantations.

The contracting phase raised problems for the conclusion of legal documents with the eligible beneficiaries selected after the first session of project submission. Initially, the documents for the programme referred to the conclusion of a contract, however, APIA, as appointed organism and not as the holder of the allotted budget could not conclude financing contracts. Clearing this aspect by finally concluding some engagements, generated delays. Moreover, as the engagement is a unilateral act by which only the beneficiary undertakes obligations, this situation generated the withdrawal of some projects submitted initially in the first session. Regarding the implementation stage, as aforementioned (in the response given to the *evaluation question no. 1*), some risks related to the lack of sustainability of the technical project or to the loss occurring on the afforested area (other than those generated by a force majeure event) are to be borne by the beneficiary. This aspect, apart from discouraging some potential eligible applicants, may lead to the termination of certain commitments during implementation.

#### Sub-measure 9.1 "Establishment of producer groups"

The phases prior to the submission of the financing application proved the most difficult. From the interviews conducted it results that, firstly, it is difficult, or it can be an administrative burden, to calculate and prove the value of the production traded by the applicant group of producers during the years prior to the submission of the financing application, considering that the quantum of the support granted by NRDP depends on this value. Due to the large amount of the agricultural production traded, in general, without fiscal documents<sup>37</sup>, and taking into account that it is required to collect all fiscal documents from all the producers in the group in order to calculate the value of the financing application, this aspect can prove to be problematic.

The submission of the financing application and of the clarification documents, during the evaluation and contracting period, is not considered by the consultants as being difficult (the beneficiaries generally rely on the support received from the consultants). All people interviewed, including the beneficiaries, mentioned the support received from the Agricultural Chambers. However, for the project submission session in 2017, the beneficiary interviewed emphasised the long period of time (almost 10 months) from the submission of the financing application until the project contracting. This delay discourages the producers in the financed group to mobilise themselves in order to increase their marketed production so that they may absorb amounts as large as possible from the available financing.

The implementation phase is assessed as being of average difficulty. Considering that the organisation of public procurement procedures is not necessary, the implementation stage is simplified. However, both in terms of payment claims, and in terms of some inspections, it is required (from the people ensuring the management of the groups of producers) a sustained effort to ensure that all the members of the group have all the required documents, starting from the assumption that the majority of the producers in the group lack entrepreneurial and financial management competences.

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<sup>&</sup>lt;sup>37</sup> Assessment performed by PwC using data from the Fiscal Council: https://www.pwc.ro/en/press\_room/assets/2017/RO/Comunicat%20de%20presa%20PwC Studiu%20PwC%20sec\_torul%20agricol%20din%20Romania\_final.pdf

#### Sub-measure 9.1a "Establishment of producer groups in the fruit-growing sector"

Considering that no financing application was submitted under this sub-measure, as there were no eligible applicants, an answer to this question cannot be detailed. Theoretically, all the actors interviewed stated that the process for accessing the financing is similar to that related to sub-measure 9.1 and in this respect no major accessing issues can be identified, once the impediment related to relevance can be overcome.

#### Measure 10 "Agri-environment and climate" - packages 1, 2,5,9,10,11

No major challenges were identified in relation to the administrative procedures, neither for the Single payment requests submission under Measure 10, nor during the following phases. APIA workers exhaustively advocate Single payment requests submission, however, delays in the payment are recorded, especially when it is necessary to clarify the penalties applicable following the inspections performed.

#### Sub-measure 15.1 "Payments for forest-environment commitments"

The process of submitting financing applications under sub-measure 15.1 is not assessed as a difficult one, in so far as the ownership on the forest land can be proven, which brings into discussion the issues related to cadastre, also mentioned in the evaluation regarding sub-measure 6.5. Although the registration of the areas for which support is requested does not have to be recorded in the Land Registry, in order to access sub-measure 15.1, the ownership on the lands has to be approved, which can be difficult in some situations in the absence of the national cadastre.

The phases for appeals settlement also delayed the evaluation process completion and the simplification of procedures would be necessary, according to the statements of APIA representatives.

Regarding the phases subsequent to the submission of the financing application, the teams involved in the management of sub-measure 15.1 faced various aspects which required coordination of the measures and work formats used by APIA and the Forestry Monitoring Service for the inspection reports they have to draw before each payment. According to the representatives of the Forestry Monitoring Service, APIA and the Forestry Monitoring Service should conduct on-site inspections together with mixed inspection teams.

# The requirements/ documents/ information/ etc. that should be removed/ improved (IE 5)

#### Sub-measure 1.1 "Support for vocational training and skills acquisition actions"

Regarding the documents required in the submission - contracting - payment stages, no major/crucial elements that should be reduced for diminishing the impediments/ issues regarding accessing this submeasure by the beneficiaries (providers of vocational training) were identified.

A first aspect identified within the interviews refers to the necessary documentation that has to be submitted in order to prove the qualification requirements, especially in the case of public educational institutions. Not only the interviews, but also the survey among the training providers reflect the fact that it was required a strong mobilisation of the resources in order to obtain/provide the necessary documents for meeting the requirements stipulated under the Guide. Moreover, where the projects were submitted in partnership with several partners, the documents were even more difficult to collect.

The results of the survey among the applicants and beneficiaries of sub-measure 1.1 identify the following documents that should be amended / reduced/removed:

Record / certificate/ any other type of assimilated document which certifies the participation of the trainer experts, in the past three years, to a form of training (courses, conferences, seminars, symposiums, etc.) in the field of activity for which they are proposed within the project or statement by which the trainer experts undertake to attend such type of aforementioned training, in the field of activity for which they are proposed within the project, training form that has to be completed before signing the financing contract.

In this case, the interviews conducted among the beneficiaries confirm the fact that such documents limit the involvement of the experts with several years of expertise in vocational training, but who, for various reasons, have not provided such activities in the past three years, aspect which does not make them less prepared for providing such courses.

- The list of the main service provisions or vocational training activities in the past 3 years (bureaucratic impediment). This requirement was simplified for call 3 (the usage of the standard costs). Thus, the applicants have to prove by at least a service/financing contract (project with non-reimbursable financing) within which he/she carried out the vocational training activity.
- Supporting documents for each service contract/ financing project stated in the list, which proves the required expertise (certified copies of the contracts and recommendations/ authorisations) which shall mandatorily include details regarding: the beneficiary of the contract; the type of services / provided activities; the period within which the contract was performed; the value of the contract (bureaucratic impediment). This requirement was simplified for call 3 (the usage of the standard costs).

Regarding the contracting phase, the results of the survey among the applicants and beneficiaries of submeasure 1.1. identify the following documents that should be amended/removed:

- The financial statements registered with the Financial Administration balance sheet forms 10 and 20 covering the past 2 years of the vocational training provider and of each partner (for the private beneficiaries). In this case, it should be mentioned that the inspection of the financial capacity does not apply if the applicant is a public legal entity. In their case, the financial capacity shall be proven subsequently to the selection process, respectively by the first payment claim which includes expenses related to the public legal entity, in accordance with the provisions specific to the budget planning applicable to public entities.
- The purchase documentation (if the case)

Regarding the payment phase, the results of the survey among the applicants and beneficiaries of the submeasure 1.1. identify the following documents that should be amended/removed:

- Expense statement
- Payment claim File
- Insurance Report issued by the authorised financial auditor

In this case, the interviews conducted among the applicants and beneficiaries emphasised the fact that the Payment Claim File should not include all supporting documents regarding the expenses, considering that those are already inspected by the authorised auditor at the moment the audit/ insurance report is drafted.

#### Sub-measure 1.2 "Support for demonstration projects/information actions"

Given the fact that the selected projects have not been contracted, this question cannot receive a detailed answer. Regarding the documents required in the submission phase, no major elements that should be simplified for diminishing the impediments/ issues regarding accessing this sub-measure by the beneficiaries were identified.

#### Sub-measure 2.1 "Support to help benefitting from the use of advisory services"

No documents required during the stage of signing or amending the financing contract, which need to be amended/ removed, were identified.

Moreover, no documents regarding the payment claim/pay-out, which need to be amended/removed were identified. The company EGIS Romania submitted a single payment claim, while AVENSA Consulting has not submitted any payment claim so far. The payment claim has to be accompanied by the Insurance Report issued by an independent and impartial financial auditor who is a member of a supervising institution that is nationally or internationally acknowledged for financial audits, who was introduced by the tenderer in the technical offer. An aspect emphasised in this respect within the interviews refers to a potential difficulty which might be experienced by a company with a limited capacity regarding the organising of the documents required for the audit. As very many documents are necessary, a company needs specialised personnel who takes care of these aspects exclusively.

#### Sub-measure 3.1 "Support for new participation in quality schemes"

On a rather hypothetical level (considering the level of implementation), the people interviewed for the evaluation identified financial and administrative impediments (bureaucratic). Thus, a discouragement for the potential beneficiaries may be the fact that the expenses for reviewing, testing, controlling, inspecting and other expenses such as those below are not eligible:

- additional expenses for testing the results following failed attempts or re-testing following the finding of irregularities by the inspection body;
- expenses regarding the costs and reviews performed for the self-inspection activities;
- expenses regarding the costs of additional inspections performed by the authorised inspection bodies in order to certify compliance with the Tender Book and the cost of drafting the inspection schedule, the costs requested by the farmers/ groups of farmers which applied under Measure 11 according to Art. 29 Ecological Agriculture of the (EU) Regulations no. 1305/ 2013, the costs within the conversion period, as the products obtained during this stage are not considered ecological, but obtained from conventional agriculture;
- expenses regarding the costs of inspections and/or reviews performed following the finding of irregularities by the inspection body.

In so far as the costs for reviews and testing are inherent to the development of quality products, promoted by the farmer in order to adhere to quality schemes, considering that quality development may be a trying and failing process until the best product is obtained, a part of the people interviewed stated that those costs should be eligible.

Moreover, a part of the people interviewed stated that in relation to the maximum value of the financing, the procedure based on the settlement of the expenses recorded is excessively burdensome from the administrative point of view. The solution in this regard would be the usage of a fix amount (flat-rate) as incentive.

On the other hand, it is stated that the performance of the settlements is facilitated by the fact that the public procurement procedures do not have to be applied. On the other hand, this aspect has to be assessed in relation to the maximum amount of the financing, i.e. EUR 2,000.00/year. The intention to attend some procurement procedures in order to access this amount would lead to the increase in the administrative costs for accessing and absorbing the financing, a lot over the maximum eligible value of the projects.

No redundant document could be identified, as no applicant passed through the process of submitting the financing and evaluation application. Theoretically, no redundant documents were identified, only impediments of other nature, as presented under the previous evaluation questions.

Sub-measure 4.2a "Investments for processing/marketing of agricultural products" and Sub measure 4.2a "Investments for processing/marketing of agricultural products" - ITI Danube Delta

A series of measures for the reduction of the NRDP procedures has already been taken for example, the Land Registry excerpt is no longer required at the moment the financing application is submitted, but this measure was not in force when the last call related to 4.2a was launched), and the primary evidence collected proves that the applicants and beneficiaries experience the positive effects of the reduction. A series of documents required during the submission phase were transferred to the contracting phase, especially the endorsements required (including the environmental one, as previously presented). This last measure led to a simpler procedure for the submission of the financing applications, but the 4-7 months available for collecting all the endorsements proved to be insufficient, especially as regards the environmental opinion (which may be issued even in 294 working days).

In general, the applicants consider that requesting detailed estimates<sup>38</sup>, as well as requesting and presenting the detailed price offers, for the establishment of the budget, hinders significantly the drafting process of financing applications. In at least two identified cases, explanations were requested during the evaluation period of the financing application, although the applicants considered that the feasibility study, including the description of the technologic process were accurately prepared and some aspects were rather related to comprehension (considering AFIR assessors) than to the quality of the document/information.

The documents identified as redundant within this evaluation are:

- Sanitary permit/ Notification to ascertain compliance with the sanitary legislation, issued more than a year before the submission of the Financing application, for the units that are subject to modernisation and authorisation/ endorsement in accordance with the legislation in force the sanitary permit issued in accordance with the law is enough;
- Document issued by the Inter-Professional Organisation for Agricultural and Food Products (OIPA), which certifies the fact that the applicant, and, if the case, third parties with whom he/she concludes contracts and/or pre-contracts acts/act as a member of this Organisation, document endorsed by the Board of Directors the capacity as member OIPA can be checked on the MADR internet page;
- Certificate of conformity for the ecological agricultural and food products the information can be checked on MADR site<sup>39</sup>;
- Certification for traditional product, issued by MADR, in accordance with the Order 724/ 2013, regarding the endorsement of traditional products the information can be checked on MADR site<sup>40</sup>

In the ITI area there are no additional documents that make the NRDP funds accessing process difficult, ADI ITI issuing the required endorsement on time. However, a dynamic is recorded (which, probably, is not specific solely to ITI area): full and accurate information does not circulate easily within the circuit AFIR/OJFIR/consultant/ potential beneficiary/ issuing institutions. The consultant and the potential beneficiary do not fully understand the required documentation and its purpose, and as long as the potential beneficiary cannot explain to the issuing institutions the purpose of the required document, there are numerous situations in which these do not comply with the requirements. On the other hand, unrequested documents are attached to the financing application. Under this context, the issuance of the endorsements required by Tulcea Cultural Directorate is carried out with difficulty (although under the provisions of the law). Difficulties are also met for the issuance of the environment permits, however, as long as three officers cover the entire county, a reduction of the necessary time is not possible. If Zonal Urban Plan is required for signing the contract it raise difficulties regarding the costs and time necessary for this purpose.

The online system reduced the submission procedure both for financing applications and for payment claims, however, more detailed information on the manner of operating the AFIR platform is required,

<sup>&</sup>lt;sup>38</sup> Appendix A1 Financial Estimate – Expenses for design and technical assistance, Appendix A2 The estimate of the object, Appendix 3 Estimate chapter 2 - Expenses for providing the utilities needed for the objective.

<sup>&</sup>lt;sup>39</sup> http://www.madr.ro/agricultura-ecologica/operatorii-certificati-in-agricultura-ecologica-2018.html

<sup>&</sup>lt;sup>40</sup>http://www.madr.ro/industrie-alimentara/produse-traditionale-romanesti/implementarea-ordinului-nr-724-2013-privind-atestarea-produselor-traditionale.html

especially considering the frequent legislative amendments or even the changes in the NRDP procedures (the support documents related to the payment request, for example, fiscal receipts or the Z report issued by the fiscal cash register (6.3). There were opinions that the usage of the online system depersonalized the application system and limited the possibilities of informing oneself in relation to the status of the evaluation process. The online purchase system did not shorten the duration of this process.

#### Sub-measure 6.3 " Business start-up aid for development of small farms" - ITI Danube Delta

Regarding the requirements/ documents that should be removed/ improved during the submission stage, the following measures are required:

- The information collected confirms the requirement regarding the submission of a more reduced number of documents during this phase. Considering that the number of documents required during the submission phase impeded the process of accessing sub-measure 6.3 ITI, considering the need to obtain from various institutions (City Hall, ANSVSA, APIA) the required documents, as well as considering the costs necessary (around EUR 1000) for obtaining them and the time the farmers spent in this regard. For the issuance of such document (copy from the agricultural registry) the farmer has to wait for one week, and then he can obtain the certificates from ANSVSA. Moreover, they are valid for 30 days. It was specified the recommendation that only the excerpt from the Agricultural Registry be kept, which proves the existence of the holding itself.
- Moreover, regarding the documents required during the phase for requesting the second instalment, the requirements were amended starting with the current year, so that, from 2019, the beneficiaries are not required to attach all the copies of the fiscal receipts, but only invoices, the evidence of payments, sale purchase contracts, delivery-receipt protocols. One of the supporting documents that the consultants and beneficiaries of support find redundant during this stage is the commissioning protocol, signed by the equipment/ products suppliers. In this regard, we recommend that the requirements regarding the first instalment remain unchanged, but, regarding the second instalment, the beneficiary should prove that he/she met the objectives. In this respect, the documentation should be easier to prepare (invoices/ cash reports and price/ statement of account/ diploma) and it should be based on result.

#### Sub-measure 6.5 "The small farmers scheme"

In practical terms, the following measures should be taken in terms of documents and information:

- The simplification of conditions related to the format of documents submitted and the requests for clarification, including on the phone notification of applicants who have submitted projects regarding their need to clarify certain aspects, given the poor digital skills they usually have and considering the compliance with deadlines. As it can be seen from the evaluation reports of the applications received, in many cases the applicants did not respond to clarifications. The issue does not refer to requesting clarifications on the phone, but to sending telephone messages or sms to alert applicants that they have to electronically check whether a request for clarification has been sent to them.
- Simplifying the methods of payment by replacing the payment claim, plus the supporting documents, with a simple affidavit stating that the beneficiary continues to meet the financing conditions, including only the documents required for an evaluation by national and European bodies. The beneficiary interviewed for this evaluation stated that the submission of payment claims is particularly burdensome for the person who has already transferred a holding, who has submitted the documents relating to the transfer of the holding together with the financing application and for which no change of status has occurred. The same beneficiary showed in the interview that he was asked to submit electronically, on two digital devices (CDs), the forms attached to the payment claims, in editable and blank formats. Such a request is unreasonable, as the AFIR office receiving them does not receive any additional information from the beneficiary.

- It is advisable to analyse the situation by taking into account the abandonment of the request for the Statement on the rescheduling of payment claims submission (AP 0.1 Form) and the Financial Identification Annex for each payment claim, provided that there are no changes against the previous year considering the account where the payment is to be made and the planning of the payment claims.
- The statement on the rescheduling of payments is a necessary tool for making payment forecasts, determining a better absorption of the European Funds, but, as long as the beneficiary does not change the rescheduling of payment previously submitted or as long as AFIR can perform an automatic and uniform rescheduling for all the beneficiaries under sub-measure 6.5, this is advisable to be done. If the simplification of payment claims leads to greater accession of sub-measure 6.5, this will lead to a better absorption of European funds, even in the absence of statements on the rescheduling of payments annually submitted by the beneficiaries under sub-measure 6.5. Also, unlike investment projects for which the rescheduling of payments is essential, in the case of the sub-measure 6.5, the rescheduling of payments can be done automatically by AFIR.

The annual submission of the Financial Identification annex aims at avoiding the risk of paying in inactive accounts, but creates an additional administrative burden for the beneficiaries.

It is also recommended to combine the claim for payment with an affidavit, in a unique format.

#### Sub-measure 8.1 "Support for afforestation/creation of woodland"

No documents requested by applicants to be removed or improved were identified, so that to reduce the problems beneficiaries face with when accessing European Funds, in the forthcoming programming period.

#### Sub-measure 9.1 "Establishment of producer groups"

No documents/information to be removed/improved during the programming/implementation phase were identified, so that to reduce the problems beneficiaries face with when accessing European Funds, in the forthcoming programming period. Beyond the relevance of the measure in relation to the degree of producers associativity, no other major impediments to accessing funds under sub-measure 9.1. were identified.

#### Sub-measure 9.1a "Establishment of producer groups in the fruit-growing sector"

No documents/information to be removed/improved during the programming/implementation phase were identified, so that to reduce the problems beneficiaries face with when accessing European Funds, in the forthcoming programming period. Beyond the relevance of the measure in relation to the degree of producers associativity, no other major impediments to accessing funds under sub-measure 9.1. were identified.

#### Measure 10 "Agri-environment and climate - packages 1,2,5,9,10,11

No documents/information to be removed/improved during the programming/implementation phase of this Measure were identified

#### **Sub-measure 15.1 "Payments for forest-environment commitments"**

No documents to be removed/improved during the programming/implementation phase were identified, so that to reduce the problems beneficiaries face with when accessing European Funds, in the forthcoming programming period

The information made public by the MA and the paying agencies ensured a sufficient knowledge about the mechanisms for the development and implementation of European funds /NRDP (EQ 6)

#### Sub-measure 1.1 "Support for vocational training and skills acquisition actions"

The evidence gathered by means of the interviews corroborates the results of the survey confirming that the applicants and beneficiaries were, to a great extent (43%) and to a large extent (43%), sufficiently informed by the competent institutions (NRDP MA, AFIR, OJFIR, CJFIR) on the opportunities offered by the NRDP 2014-2020.

According to the interviews conducted among the applicants and the beneficiaries, as well as the results of the survey, the websites of the NRDP MA and AFIR were the main source of information (71%) they consulted on the financing possibility under sub-measure 1.1, followed by AFIR, OJFIR and CRFIR offices (14%).

The following are the most important sources for informing potential applicants about the opportunities and obligations related to the NRDP 2014-2020: AFIR website (85%), MADR website (71%), OJFIR office (29%), AFIR office (29%), the webpage/social network (Facebook) of the National Network for Rural Development (14%), CRFIR office (14%).

#### Sub-measure 1.2 "Support for demonstration projects/information actions"

The evidence gathered through interviews shows that applicants are informed to a medium and large extent about the opportunities and funding conditions associated with this measure.

According to the interviews conducted among the applicants, the websites of MADR and AFIR were the main source of information they consulted on the financing possibility under sub-measure 1.2.

#### Sub-measure 2.1 " Support to help benefitting from the use of advisory services"

According to the information gathered in the two interviews, the information communicated regarding the accession of sub-measure 2.1 was, to a medium extent, sufficient / complete. Unless there is a specialized department within each company (such as in the case of EGIS Romania) to handle the ongoing monitoring of calls and procedures, the information does not always reach the target group. Instead, AVENSA Consulting participated in a series of events (information campaigns, meetings with LAGs), organized at the regional level, receiving a series of information about this sub-measure. Additionally, the company visits the websites of the NRDP MA, AFIR.

#### Sub-measure 3.1 "Support for new participation in Quality Schemes"

According to interviews conducted with the representatives of AFIR and stakeholders (NRDP MC members), the sub-measure was not promoted at the level of the initiative groups that registered products according to the European quality schemes and was not promoted separately from other funding opportunities for farmers. The traditional promotion channels used by AFIR have been used, including participation in events, RNDR activities, and exhibitions and collaboration with LAGs. However, the interviewees highlighted that there is no issue related to the information about the sub-measure, but that the lack of attractiveness is due to the actual relevance (beyond the theoretical one) of the sub-measure.

Sub-measure 4.2a "Investments for processing/marketing of agricultural products" and Sub-measure 4.2a "Investments for processing/marketing of agricultural products" - ITI Danube Delta

Considering sub-measure 4.2a (including ITI and GBER), at national level, information and communication measures have used the classic channels available to the MA and AFIR, with a very limited number of dedicated actions being organized (at least) when the risk of non-absorption was identified (actions to

promote GBER 4.2a scheme appear to be even more insufficient (non-existing). Taking into account the target group of the sub-measure as well as the risks identified during the ex-ante evaluation but also the low value of the financing applications submitted under the open calls, a series of dedicated activities, directly applied to potential applicants (businesses) would have been necessary. The key actors involved in the NRDP Monitoring Committee and in the Fruit-growing sector Working Group (whose meetings focused on the implementation of Measure 4.1a), including sectoral or national business associations, could be used more intensively to spread the information. Although the low attractiveness of sub-measure 4.2a is not due to a large extent to the lack of information, dedicated and active communication, aiming directly to the target group of potential beneficiaries, ensures the transmission of the correct message and information (e.g. during the data collection for this evaluation, there were stakeholders, including consultants, who did not know that the NRDP was amended on 30 June 2017 to allow for the financing of combined fruit and vegetable processing projects and not only for the financing of fruit processing ones). The involvement of the CRPE (Romanian Centre for European Policies) has been appreciated at national level but has not reached potential beneficiaries.

In the ITI area, information and communication activities are intense, the County Office for Rural Investment Financing (OJFIR) provides the necessary information, but especially in passive forms (website, display, brochures), but also by means of organized and bilateral meetings. ADI ITI and City Halls are greatly involved in disseminating available information on existing sources of financing and consultants are also involved in spreading the information. At least 80% of projects in the ITI area are prepared with the help of consultants, as Applicants' Guides are considered documents for specialists. The provision of less specialized, clearly organized information and the more intense promotion of the Form E12 The general evaluation sheet would make information more accessible to potential beneficiaries.

AFIR website and consultants represent the main sources of information (in this order). These, together with the NRDP MA website, remain the most reliable sources of information for beneficiaries (NRDP caravans are considered useful by only 16% of respondents). However, 43% of respondents in the survey believe they had been little or very little informed about the provisions of the sub-measure. The Applicant's guide was clear and complete, to a (very) large extent (85% of the respondents), which also applies to the information provided by the authorized institutions in all phases (although to a less extent).

#### Sub-measure 6.3 "Business start-up aid for development of small farms" - ITI Danube Delta

According to the survey conducted among the beneficiaries, they learned about the source of financing under sub-measure 6.3 ITI through consultants (45%), AFIR website (45%), ADI ITI Danube Delta website (21%), OJFIR Tulcea headquarters (13%). However, 27% of the beneficiaries consider that the NRDP / AFIR / OJFIR representatives, respectively the NRDP caravans and the local meetings, are the most useful source of information on opportunities and obligations related to the NRDP.

Interviews with the representatives of OJFIR, ADI ITI Danube Delta, as well as the focus groups with consultants and beneficiaries, confirmed that information is needed at a local level within mayoralties so that the information reaches both the potential beneficiaries and the civil servants who are in charge of providing the necessary documents for the application process.

The consultants attending the focus groups confirmed that they had not been consulted about the Applicant's Guide and that informing process had been done on a general level. It should be considered in this context that the target group is represented by farmers and it is important that the information provided should have a level of understanding adapted to the target group's capacity of understanding.

As far as the beneficiaries are concerned, they confirmed that they had been insufficiently informed about this measure and that they had found out about this possibility either from individuals who had benefitted of support under this sub-measure or from consultants.

Regarding the information provided by the authorised institutions during the applications submission, evaluation and selection phase, this was, to a large extent, clear and complete. Also, according to the survey, during the contracting phase, the information provided by the representatives of OJFIR, AFIR, ADI ITI Danube Delta was, to a large extent, clear and complete.

#### Sub-measure 6.5 "The small farmers scheme"

The information and communication strategy is considered to be appropriate but incomplete. Caravans, by means of which different actors reach rural communities, have the potential to inform potential eligible applicants of sub-measure 6.5 about this financing opportunity, but these actions are not sufficient, and the target group consisting of the total number of potential eligible applicants has been reached, to a small extent.

Both the beneficiary and the non-eligible applicants interviewed learned about the financing source on their own, as they have several holdings in the family and they were looking for financing opportunities.

As we have also shown in the response provided to the evaluation question no. 4, not all the information communicated in the Applicant's Guide was clear and this was not sufficient to produce more than 3 eligible financing applications. Moreover, despite having succeeded in submitting a financing application which was selected, the interviewee noted that he had not even had a telephone number from the County Office for Rural Investment Financing (OJAFIR) in Calarasi county so that he could clarify administrative issues about the financing application submission (for example: the beneficiary wanted to verify whether the application form available on AFIR website is correct and can be used, or whether the form is to be modified and uploaded on the website). Although AFIR states that for potential applicants can request information and clarifications during the financing application submission phase, the interviews conducted show that this possibility does not materialize at county level in all cases according to the Agency's own procedures.

#### Sub-measure 8.1 "Support for afforestation/creation of woodland"

The sub-measure was promoted on traditional channels used to promote the NRDP, especially AFIR. The local centres distributed leaflets, local presentations were organized, in cooperation with the mayoralties, mentions about the financing opportunity were broadcast on the radio and TV, including Radio Antena Satelor and national television channels.

However, there is no information on the coverage of the communication measures, i.e. how many potential eligible applicants of the target group received the information.

For applicants who submitted projects, given that all supporting applications were eligible, the information provided was complete, sufficient, clear and useful for the preparation of a formal financing application. However, there is still one issue related to the means of informing potential eligible applicants about the measure and its relevance.

### Sub-measure 9.1 "Establishment of producer groups" Sub-measure 9.1a "Establishment of producer groups in the fruit-growing sector"

Given the importance of communicating the benefits of establishing partnerships among producers for the success of this measure, the evaluation did not identify specific information measures that could adequately

cover the need for promotion for sub-measures 9.1. All communication activities reported and identified by the interviewed actors are made for several sub-measures together and do not target the specific target group for sub-measures 9.1, nor non-associated producers that can establish partnerships. In the case of the interviewed beneficiary, the consultant who was preparing projects for several producers within the group also looked for additional sources of funding and identified sub-measure 9.1, being proactive in finding out about financing sources.

This shows that the informing measures achieved did not fully reach the target group. The information used by the beneficiaries, in the Applicant's Guide and the funds provider website (AFIR) is considered to be sufficient, complete, clear and useful.

#### Measure 10 "Agri-environment and climate" - packages 1,2,5,9,10,11

Each year, APIA runs an extensive information campaign for eligible farmers under Measure 10 (including), which includes a comprehensive set of materials in hard copy and electronic format (brochures, posters, leaflets, guides<sup>41</sup>) as well as on-site meetings with APIA centres and the City Halls of the Administrative Teritoreal Units (not exhaustively every year).

Although each beneficiary is directly counselled by an APIA worker when the payment claim is submitted, the evidence gathered in this evaluation indicates that the information needs of beneficiaries / potential beneficiaries are not covered by the current system (especially for smaller farmers and new measures). The time dedicated to informing actions is short and some aspects are not sufficiently detailed (possible inspections and their consequences) which, on the one hand, do not motivate some farmers to apply for compensatory payments (especially for new packages) and on the other hand, leave room for interpretations and intensify the perception of beneficiaries about the risks involved by an APIA commitment. The evidence gathered did not validate to a large extent the hypothesis claimed during the initial phase and in some programme documents that local APIA workers do not deliberately promote the new measures, an approach caused by their ignorance (although it is recognized that these packages are complex and some requirements should be clarified by MA / APIA centre) and the risk of sanctions in this context. However, it is imperative to clarify the role of APIA personnel in terms of informing and counselling, and the amount of work these activities involve, as well as supplementing the personnel within APIA for these positions, where necessary (after carrying out an analysis of the workload of the staff, each APIA inspector is currently dealing with on average of 500-600 farmers). The workload of the personnel within APIA is very high during the Single Payment Requests submission phase (1 March - 15 May), so all information and counselling activities should be intensively carried out in the previous months (January -

In addition, there are cases where local / county APIA centres cannot clarify a case and the beneficiaries are referred to the main APIA office, rather than issue a developed and internally based resolution. An alternative to facilitating communication / information through the mayoralties or another solution (expert) in the vicinity of the beneficiaries is the organization of a help desk at the main APIA centre, which develops and provides harmonized resolutions for identical cases. This help desk can be funded through the funds available under the NRDP for technical assistance and would partly compensate the lack of services provided under Measure 2 of the NRDP<sup>43</sup>.

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<sup>&</sup>lt;sup>41</sup> Available at http://www.apia.org.ro/ro/materiale-de-informare.

<sup>&</sup>lt;sup>42</sup> Informing activities for the campaign in 2019 were launched on 13 February 2019 <a href="http://www.apia.org.ro/ro/comunicate-de-presa/agentia-de-plati-si-interventie-pentru-agricultura-apia-informeaza-ca-a-demarat-campania-de-informare-a-fermierilor-privind-depunerea-cererii-unice-de-plata-in-anului-2019-sub-sloganul-apia-sustine-valorile-comune-europene-i-fermierii-romani-depune-cererea-unica-de-plata-in-perioada-1-martie-15-mai-2019&page=2

<sup>&</sup>lt;sup>43</sup> Counseling beneficiaries who have agri-environment commitments, organic farming (M10, M11). This will facilitate the provision of the prerequisites for the implementation of agricultural practices that contribute jointly to ensuring the sustainable management of natural resources (biodiversity, soil, water) as well as reducing GHG and ammonia

Particularly for new packages, informative materials and dedicated / specific informing and counselling sessions are necessary given that compliance with their conditions, especially on arable land, is difficult, and the change of farmers' behaviour / thinking is very difficult.

Since 2018 the information campaign has reached far more farmers (for example in Buzău) (until 2017 there were meetings organised at the Administrative Territorial Unit where 30-40 farmers participated) and the content of measures cannot be directly explained to everybody, but the signing of statements under which the potential beneficiary assumes the failure to submit the Single Payment Request for the packages analysed does not represent a solution to efficiency (absorption) and effectiveness problems of the NRDP. Associations contribute greatly to the transmission of information (to smaller farms) and would have added value if they were involved much more in the future from the beginning as information multipliers 44 as already provided in the NRDP Information and Communication Strategy ). The lessons learned in this Communication Strategy are still up to date.

Good practice in communicating with city halls to clarify the documents needed for the Single Payment Request and their issuance was identified in Buzau where, municipalities transmit via email all necessary information / documents directly to APIA. This process has made the Single Payment Requests submission campaign easier and thus there are no blockages related to the supporting documents of these Single payment requests. The 87 administrative territorial units involved were also counselled / trained by APIA regarding the requirements of the implemented measures, and thus in this county there are also administrative territorial units integrally preparing all the single payment requests (for 200 farmers, for example including with the help of the Mayor and the association in the area). This approach is used on average by 20% of the APIA county centres and should be extended at national level.

# **Sub-measure 15.1 "Payments for forest-environment commitments"**

The sub measure was promoted on traditional channels used to promote NRDP, especially APIA. The local centres distributed leaflets, local presentations were organized, in collaboration with the mayoralties, mentions about the funding opportunity were broadcast6 on the radio and TV, including Radio Antena Satelor and national television channels.

However, there is no information on the coverage extent of the communication measures, i.e. how many potential eligible applicants, respectively forest owners of the target group are informed.

According to the interview with AFIR, a closer collaboration with forests associations and the Forest Division is to be developed for the dissemination of the measure. According to interviews conducted with forest owners, Forestry Monitoring Service and members of the NRDP, interested in the forestry field, the Forest Divisions have already started their informing campaign.

The applicants who submitted projects, given that a relatively small number of beneficiaries were declared ineligible and for them the main problem was the opinion issued by the Forestry Monitoring Services, considered that the information provided was complete, sufficient, clear and useful for the preparation of a correct financing application. However, the issue is related to the possibility of being informed about the measure and its relevance for potential eligible applicants in relation to the amount of the compensatory payments. It remains to be assessed whether at the 2019 session the increase in the compensatory payment

emissions from agriculture. At the same time, promoting appropriate production methods will provide a better adaptation to the effects of climate change, increasingly manifested by extreme phenomena. By providing the necessary skills for implementation and commitments through access to advisory services, the beneficiaries of the measure are expected to provide the premises for achieving the objectives and to maximize the impact of the budget effort on agrienvironment and climate commitments.

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<sup>&</sup>lt;sup>44</sup> More exactly, by transmitting the information to the members,

from 25 euro / ha / year to 38 euro / ha / year will make the interest in the forestry commitments increase and thus the measure accession degree will be higher.

# **CHAPTER 5. CONCLUSIONS AND RECOMMENDATIONS**

*Conclusion 1.* The (sub) measures under the NRDP 2014-2020 with the lowest submission rate are the following:

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

The public allocation of NRDP 2014-2020 for these (sub)measures amounts to 1,435,565,280 euro, representing approximately 15% of the total allocated funds. Only in the case of sub-measures 1.1, 2.1, 4.2a, 6.3 ITI, 6.5, 9.1 there were projects under implementation at the end of this analysis, and the number of these projects is limited. In case of Measure 10 in October 2018, payments of epsilon 158,475,835 (15% of the public allocation) were made, but under packages other than 5, 9, 10, 11 (including packages 1 and 2).

Conclusion 2. The causes that have led to the under - accession of these measures are multiple, specific to the sub-measure itself or horizontal, in other words, affecting several or all of the analysed or context-related measures (out of the control of the NRDP MA). All analysed measures are to a great extent relevant (minor exceptions are recorded in case 4.2a ITI, package 11 and 9 of Measure 10), so they correspond to some (potential beneficiaries' territorial/environmental) needs, therefore their implementation remains necessary to achieve the objectives that the NRDP has proposed. The resulting blockages are rather related to the intervention logic, the capacity of potential beneficiaries, procedures and NRDP context.

*Conclusion 3.* The main specific causes identified at sub-measure/groups of sub-measures level that prevented the accession under the NRPD and adversely affect its attractiveness are:

- Low level, on the Romanian market, of the necessary training offer/specialists to implement activities such as those requested under sub-measure 1.1, but also 2.1, especially considering the proposed unit cost that has led to a low remuneration for trainers. The involvement of trainers according to the requirements, which contribute significantly to achievement of the project and sub-measure 1.1 objectives, may mean the involvement of human resources outside the country at higher costs. The gap between the requirements issued, on the one hand, and the available offer, on the other hand, had determined the current situation in which, in the absence of contracted projects, potential beneficiaries of the planned services have had to resort to other solutions to meet funding requirements. Complex requirements were also difficult to meet in sub-measure 1.2, indicating the same lack of advanced support services (access to good practices).
- In the same context, *an advance payment* would facilitate the implementation of projects and increase the attractiveness of the sub-measure. A better management and organization of activities within sub-measure 1.1 would have the same effect, at least in the sense of distributing training beneficiaries between contracted service providers.
- Incompatibilities in the intervention logic of some measures that have negatively affected the feasibility of implementation (i.e., the measure is necessary, but the way it was operationalised

impedes implementation). For example, in the case of sub-measure 3.1, only farmers were eligible, even though processors are more interested and their activity is better suited to adhering to the groups that have proposed products, recognized according to the European quality schemes, in Romania; the number of already existing initiative groups that a farmer could adhere to is small, unknown and dominated by large companies that have little interest in partnering with small farmers; in addition there are no recognized national quality schemes. Some of these incompatibilities in the intervention logic are due to the provisions of relevant legislation in force at European level, thus also in Romania but outside the control of the Romanian authorities. In the case of sub-measure 4.2a, although the processors were targeted, the fact that processing was also funded under sub-measure 4.1a (aimed at another target group) led to a decrease in the interest among potential beneficiaries or the termination of the contracts (when these incompatibilities were later discovered, e.g. that the raw material collected for processing cannot come from spontaneous flora). For measure 6.3., a better definition of the target group by correlation with measures 6.2 and 6.4 would have focused the intervention on the most relevant category of farmers for this type of intervention. Sub-measure 8.1 is relevant only to farmers (who own very large holdings, for which it is useful to create microclimates by setting up forest protection areas in holdings over 1,000 ha) and landowners of degraded/unproductive land. In the case of submeasure 9.1., there is a small number of producer groups and organizations recognized by MADR and eligible for funding, so its budget is oversized - compared to demand.

- In the case of ITI measures, implementation was hampered by the late approval of the Danube Delta Integrated Sustainable Development Strategy and the, subsequently, late launching of the calls for dedicated projects (while NRPD is among the most open to an ITI approach and the acceptance of specific conditions, where applicable). In this context, the diagnostic analyses that supported DDIDS did not always corroborate the need analyses of the NRPD.
- The low intensity of support (50-10%), in the context of complex projects with large budgets and high loan costs (which is not available for small farmers or start-ups, in any case).
- Different interpretations of the same provisions/evaluation and selection criteria of the Applicant's Guide by different AFIR evaluators (from different counties, especially) that determined the selection of some projects, while other similar projects were rejected. These issues were signalled especially in the case of the first calls for projects, but had negative consequences on the attractiveness of NRPD funds, on the analysed measures and in general. Most of the conditions for packages 5, 9, 10, 11 of measure 10 have been difficult to meet (compared to the amount of compensation), in particular maintaining 5-year commitments, ensuring crop rotation (where applicable), cropping systems, working on plots and keeping uncultivated/un-harvested surfaces.
- Difficulty in meeting some criteria (and/or justifying that the criterion is met) as with sub-measure 6.3(ITI): meeting the eligibility criterion EG2: "The applicant has an agricultural holding with an economic dimension between €4,000 and €11,999". For the S.O. calculation the application for funding must include the entire production base (areas, livestock, birds and bee families) over which the applicant has documented ownership and/or lease/transfer agreements and which are registered with IACS at APIA and/or the Register of Holdings ANSVSA/ANZ, as well as in the Agricultural Register before requesting support. Failure to take into account the calculation of the economic size of the entire production base has led to the project being declared ineligible during the on-site visits, measure that is perceived as disproportionate. For sub-measure 6.5., there is the condition that the holding being transferred has previously received support from APIA under the Simplified Small Farmers Scheme under Pillar I. Although the number of beneficiaries of the Simplified Small Farmers Scheme is very high (in 2016 there were over 770,000 farmers on the list of support beneficiaries in the previous year) it is unclear for AFIR, which managed sub-measure 6.5, how many of these beneficiaries owned, rather than rented in whole or in part, their holding. Thus, if the objective of sub-measure 6.5 is to strengthen agricultural holdings, the condition of prior registration with APIA is not justified, and the measure could also be applied to applicants who have not received any prior support from FADR. The condition is stipulated by Regulation (EU)

1305/2013, so it is not a factor that can be easily influenced by the NRDP MA, but it is also important to consider this limitation. In case 9.1, given that the amount of funding in the first year after signing the contract is proportional to the value of marketed production from the first year of recognition, the producer groups set up in 2014 and selected in 2016 would receive in 2016 a grant of 10% of the value marketed in 2014. In this context, the producer groups set up in 2014 were not motivated at that time to have a very large marketed production value registered for the first year of their establishment, not considering the possibility of obtaining a proportionate non-reimbursable fund. No producers group in the fruit sector or including production related to the fruit sector were recognized between 1 January 2014 and 31 December 2017, so there are no potential beneficiaries for measure 9.1a.

- Ineligibility of costs for analyses and tests inherent to the development of quality products promoted by the farmer for adherence to quality schemes, considering that quality development can be a trial and error process leading up to the best product (sub-measure 3.1)
- Displaying the incorrect application form, in some cases (6.5), when the submission session is launched.
- The low amount of compensatory payments, on all measures/packages analysed, especially when the reconversion of agricultural land is involved (Package 11.1.1). In the case of sub-measure 15.1, the evaluation notes that, for the first financing application session, the value of the Pillar I, even if proposed by the Forestry Research and Development Institute, was low compared to the expectations of the potential applicants and relative to the upward trend in the price of the wood in the context of increasing demand and a decreasing or steady supply. This deficiency was remedied for the submission session announced in early 2019.
- Medium/long-term uncertainty for some measures (10, packages 5, 9, 10, 11) involving the reconversion of (agricultural) land but where there is no clear image of the financing conditions after the current programming period (i.e. if the packages are maintained after 2020).
- (Measure 10) Effects of APIA teledetection controls on sanctions for over-statements that can be retroactively applied and for the entire declared area not only for the area declared ineligible.
- (Measure 10) Maintaining the commitment for a period of 5 years provided that the right of use during this period is not guaranteed, in compliance with the legislation.

# **Conclusion 4.** The main transversal causes preventing the accession of the funds available under the NRPD are:

- Delays in launching calls for projects that have raised general challenges in absorbing available funds (e.g. sub-measure 1.2), but also in terms of strategic planning and coordination between the implementation of synergistic sub-measures (Measure 1 and 2 on the one hand (Measures 1 and 2, on the one hand, and measures benefiting from the services concerned (6.1, 6.3, 10), on the other hand) or in correlation (Measure 4.1a and other measures in the fruit-growing field or (sub)measure 2.1 and 9.1/9.1a regarding counselling for the establishment and development of partnership forms in the agricultural sector). Delays at project submission level have had negative effects in terms of the project implementation period, longer than initially expected, despite the fact that some beneficiaries were selected especially due to the fact that they have committed to implementing the project in an accelerated manner. Under the pressure of time, contracts are terminated and the risk of this phenomenon exists under several measures, including 4.2a - the termination of contracts currently in progress/at the beginning of their implementation period will lead to an even lower absorption rate by reducing the funds spent and difficult to be contracted through other projects. Recent measures taken by MADR to enable potential beneficiaries to benefit from more advantageous loans are also delayed as long as providing co-financing through affordable loans at a reasonable cost is a major challenge that contributes to reducing the attractiveness of the NRPD.
- Late/inadequate capacity of the institutions involved in preparing and managing the process of submission, evaluation and selection of projects/single payment request at human resource level

(training and streamlining/staff increase) or technical (creating technical solutions for newly introduced measures/packages), especially in case of (new) sub-measures or (sub)measures implemented for the first time (1.2 by the NRDP MA). This capacity is also needed in the form of setting up some expertise centres at the level of the MA/AFIR/APIA centres for specific agricultural sub-sectors (e.g. fruit sector, beekeeping, taken into account for the future programming period, livestock breeding, agronomy, horticulture, economic engineering in agriculture), especially if we take into account the low specific expertise offer in Romania (sub-measure 2.1).

- In the case of measures/packages that involve significant behavioural change to achieve the expected result (packages 5, 9, 10, 11 under Measure 10, especially for arable land users, submeasure 6.5, sub-measure 15.1) the incentive payment offered was lower compared to recorded losses, on the one hand. On the other hand, it is necessary to test the feasibility of new measures/packages in advance in order to identify possible obstacles and additional measures needed to stimulate access: for example, information and counselling targeted at a potential beneficiary or groups of potential beneficiaries. While these measures are relevant because they aim to address existing problems, the present evaluation has confirmed that the particularities of the target group (e.g. small farmers in measure 6.5) require a particular approach. Under Measure 8.1, socially and ecologically increased relevance is not sufficient to persuade landowners to abandon farm production and subsidies received for agricultural holdings.
- The incompleteness of the cadastral records available in Romania at this time.
- Lack of a national and safe Agriculture Register online.

**Conclusion 5.** In order to eliminate the identified causes and to increase the accessibility of the NRPD, a series of improvements are needed within the programme, the procedure for accessing the NRPD measures and the incident national legislation in order to increase the accessibility of the NRPD. In this respect, we issue the following programme-level recommendations<sup>45</sup>:

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

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

**Recommendation 3.** At the same time, it is imperative that for the newly introduced measures (compared to the previous programming period), but also the measures involving third parties (Forestry Monitoring Service), more comprehensive consultations with the involved actors (especially potential beneficiaries) be conducted, before launching them, in order to test the feasibility of their implementation (realism and attractiveness of the expected financing conditions, including the amount of the compensatory payments or the grant). These consultations could be carried out within/through thematic groups, which should play a more prominent role in monitoring the expected/achieved outcomes, in addition to focusing on operational issues (e.g. changing evaluation and selection criteria). This recommendation is more important for the Fruit Sector Thematic Group.

<sup>&</sup>lt;sup>45</sup> The measure-level recommendations are presented in the section related to evaluation question 2 of the report.

**Recommendation 4.** It is necessary to create a pool of experts/specialists available to MA/AFIR/APIA for the quick clarification of specific aspects of the various sectors covered by the NRPD, both in the programming and the submission and implementation phases. This pool of experts can be remunerated with the funds available under the technical assistance measure and would ensure a coherent approach to the issues arising in particular during the evaluation phase of the procedures but also of the technical project. With regard to the experts involved in training, informing, advising the beneficiaries of the NRPD, the value of the budgets of the contracts/projects should be better commensurate with the requirements pursued and/or focusing on the results obtained.

**Recommendation 5.** In the future, it should be clearly stated in the applicant's guide concerning the measures (6.1, 6.4, 10) that there is a possibility to undergo free training courses under submeasure 1.1. At the same time, a broad, active (face-to-face, not only via the Internet) campaign (at least at county level) is needed to inform the final beneficiaries of measures 1.1, 1.2 and 2.1 in regards to the specific opportunities offered by these measures. To this end, it is necessary to improve the beneficiaries database of the NRPD so that their information and their invitation to the planned actions are carried out in an efficient manner.

**Recommendation 6.** Closer collaboration between the NRDP MA and other MADR directorates (such as the General Directorate for Policies in the Food and Trade Industry, responsible for notifying traditional product schemes) but also with institutions outside the MADR (e.g. Forestry Monitoring Service) is needed, as well as a broader intervention of the decision-making actors where the measures' implementation depends on the activity of these other directions/institutions (such as sub-measures 3.1, 8.1. and 15.1).

**Recommendation 7.** New calls for projects (if taken into account), especially for measures involving complex projects (involving construction and assembly), should be launched in the near future to ensure that the selected projects are completed in time. In this context, calls and related documentation should also contain substantial information on the MADR loan facilities recently launched by MADR in partnership with the EIF, so that potential beneficiaries can provide the requested co-financing. At the same time, calls should be accompanied by promotional actions aimed specifically and actively (through face-to-face meetings with potential beneficiaries) at stakeholders in the fruit-growing sector (processors in 4.2a).

**Recommendation 8.** Considering the maintenance and strengthening of the sub-sectoral approach in the future programming period, it is necessary that, in the case of the selected sub-programmes, the implementation of the planned measures should be managed strategically (correlated) and avoiding focusing only on some measures (e.g. measure 4.1a at the expense of 4.2a) to achieve the expected results.

**Recommendation 9.** In the future, (better aimed) consultation of beneficiaries and consultants should be considered regarding the provisions of the applicant's guide as well as the creation of more accessible (schematic) information materials for potential beneficiaries for a more in-depth understanding (especially by smaller farmers) of the requirements and the development of better quality projects. At the same time, given that some requirements refer to a previous time frame (2 years before the submission of the project), the information activities should also be carried out before the opening of the submission sessions.

**Recommendation 10.** Although the phenomenon of land fragmentation is declining, it is imperative to develop a mechanism to attract smaller (and older) farmers both in terms of investment measures (AFIR) and compensatory payments (APIA) considering their limited technical and

financial capacity to access available funding sources (6.3, 6.5, 10, etc.). This mechanism may take into account the capacity of municipalities (mayoralties), which provide support documents for financing/funding applications, GALs that are closer to potential beneficiaries, agricultural chambers, existing associations, or even specialists (young people with technical abilities) assigned to a number of UATs that can inform and support, including for a fee, this category in the preparation of applications. This network could also be involved in supporting producer groups (setting up, operating, developing projects), especially given their importance, including in the future. Another solution to this challenge can be to set up a help desk to handle and address the information needs of beneficiaries/potential beneficiaries (funded under Measure 20 of Technical Assistance).

**Recommendation 11.** It is necessary to reconsider the amount of the compensatory payments available under all the analysed measures (that involve these unit costs/payments) and their supplementation (where Regulation allows) to adequately reflect the costs and losses of the beneficiaries in order to motivate them to access that source of funding. Such a measure would, on medium term, boost the absorption of available funds.

**Recommendation 12.** Considering the conditions requiring modification, for measure 8.1, we recommend that the conditions regarding usable tree species be reviewed so that the sub-measure can be accessed by at least some of the applicants as a long-term investment support measure also taking into account that short-cycle and fast-growing trees have CO2 conservation and soil fixation and water retention properties (even if lower than other species in some cases and not allowed by the Regulations) and can therefore contribute to a better environment, *in any case more than no tree plantations*. This measure can be considered at least when designing this measure at European level for the next programming period.

**Recommendation 13.** Given that beneficiaries rely heavily on the support received from consultants, it is necessary for AM/AFIR to implement a method for recognizing the quality of advisory services that allows (potential) beneficiaries to select and contact competent consultants.

**Conclusion 6.** A (limited) series of legislative provisions hinder the implementation of the measures under consideration, but, to a large extent, their adjustment is not necessary, it is rather necessary to clarify unclear provisions and to support their implementation by the competent institutions. The institutions responsible for the implementation of the NRPD have established cooperation protocols and are constantly cooperating with other relevant ministries/agencies. Normative acts whose application has been proven in practice to be difficult to apply by the beneficiaries of the NRPD are:

- Order MADR/MMAP/ANSVSA no. 352/636/54/2015 on the approval of eco-conditionality rules in the framework of schemes and support measures for farmers in Romania. Compliance with the provisions of this legislative framework was difficult for both farmers owning mixed agricultural holdings, consisting mostly in plants, and grassland owners whose animals are free for 3 months per year (and therefore manure collection is not possible under these conditions). It is recommended to clarify the application of the provisions of this legislation for special cases and to amend the law accordingly, if necessary.
- The laws on Environmental Impact Assessment (EIA) Order of the Ministry of Environment and Forests no. 135/2010 approving the Methodology for the application of the environmental impact assessment for public and private projects and Government Decision no. 445/2009 on the assessment of the impact of certain public and private projects on the environment, as subsequently amended and supplemented. Considering that EIA's issuance under the law may take about 250 days (over the period of 4-7 months allocated for submitting documents for contracting), only in the case of this document do we recommend starting the process of obtaining the

- environmental agreement as early as starting the preparation of the financing application submission.
- The Civil Code in effect does not ensure that beneficiaries of the NRPD have right of use of the area over the 5 years of the commitment (under Measure 10). It is necessary to modify the civil code in this regard (to maintain right of use for this period of time) in order to avoid penalties resulting from the reduction of the eligible area without the fault of the beneficiary.
- The amendments brought in January 2019 to Law no. 566/2004 of the agricultural co-operation, with subsequent amendments and supplements, has both encouraged and discouraged producer groups. In regards to encouragement, clarifications have been made that the turnover tax for microenterprises is not applicable for agricultural cooperatives. This represents a substantial additional cost for producer groups, as it does not generate profit for them. The turnover tax, provided that the producer group markets their members' production and transfers cash collections to them, actually generates losses on behalf of groups and further reduces their predilection towards association. At present, this turnover tax is no longer applicable, but members of the Board of Directors of the producer groups are required to provide a guarantee of at least 10 equity shares (Article 30 of Law No 66/2004 of the Agricultural Cooperative, with subsequent amendments). This condition is likely to further discourage the establishent of new producer groups and could lead to the abandonment of some existing ones.

**Conclusion 7.** The process of preparing and submitting applications has not encountered major problems, but accessing on-line platforms is very difficult for beneficiaries without digital skills (small, elderly farmers). While APIA fully supports Single Payment Request submission, AFIR measures require additional support for these categories (especially for unattractive measures because of small amounts).

Conclusion 8. The evaluation and selection process is long, even for measures that do not involve works (e.g. 9.1 - 10 months have passed since the financing application until the contract was signed, considering that there were only 10 financing applications) and also because of the capacity of the evaluation institutions - APIA for measure 15.1, new for this institution. In combination with the late launch of calls, the duration of the evaluation and selection process influence the project implementation in terms of target group reduction, price increase for equipment, or the absence on the market of those considered in the financing application. In this context, beneficiaries are put under pressure and abandon their signed contracts. The Applicant's Guide does not usually provide the timeframe for evaluating applications for financing or making payments.

**Recommendation 14.** It is necessary to estimate the time needed to complete the applicant selection, assessment and information process in relation to this timeframe under the Applicant's Guide, in order to prepare the contract and implementation phase in an optimal way.

**Conclusion 9.** No major obstacles have been identified by the beneficiaries considering the amendments of the contracts but the main challenge during the implementation phase is the analysis of the technical project. which takes time and, at the same time, does not seem to be done on the basis of a clear quality grid.

**Recommendation 15.** It is necessary to publish on the AFIR website the methodology for the evaluation of the technical project/blueprint in order to ensure transparency, but also to facilitate the preparation/evaluation of this document according to the applied standards.

**Conclusion 10.** Funding applications (in the case of investment projects) were to a large extent in line with the expectations of the beneficiaries. However, there have been delays in processing payment claims and making payments, also due to the fact that beneficiaries need more guidance on how to prepare them. The ability to request an advance greatly facilitates the implementation process. Delays in making payments are also recorded for APIA measures which have been analysed (Measure 10).

**Conclusion 11.** In the case of some measures, the phases preceding the financing application submission have proven to be the most difficult. For measure 9.1, the calculation and the proof of the value of the production marketed by the applicant producer group in the years preceding the financing application submission, on which the amount of the support from the NRPD depends, may be an administrative burden. Given the large proportion of agricultural production marketed, in general, with no fiscal records<sup>46</sup>, and given that it is necessary to bring together all the tax documents from all the producers in the group to calculate the amount of funding requested, this may prove problematic.

Conclusion 12: The on-line systems developed by APIA and AFIR have simplified the submission procedure for both financing applications, and single payment requests, but more detailed information on how to operate the AFIR platform is needed, especially in the context of frequent legislative changes or even NRPD procedures (supporting documents for the payment request, i.e. tax vouchers or Z report issued by the cash register (6.3). The technical problems of the on-line platform (in the case of AFIR - permanent or temporary) (in some cases, financing applications could not be submitted due to system failures) or beneficiaries (uploading documents related to course participants, despite the platform not allowing the submission of Excel documents) need to be addressed. Considering the new packages under Measure 10, on the one hand inefficiencies have been created because the on-line APIA platform has been developed for the Single Payment Requests submission and for these packages, on the other hand the programme for making payments (if the Single payment request was submitted) is not available, which makes it virtually impossible to carry out any action.

**Recommendation 16.** In order for the online systems created by AFIR/APIA to achieve their goal of simplifying and facilitating processes in all phases, it is necessary to monitor and adjust them depending on the identified issues in the shortest possible time. Financing applications that could not be submitted due to system failures should be solved (for example by accepting the financing application in paper format).

**Conclusion 13.** The simplified approach of "standard unit cost" (following the example of sub-measure 1.1 but also of Measure 10 where it takes the form of compensatory payment) leads to streamlining the implementation process for both beneficiaries and the MA/AFIR/APIA.

**Recommendation 17.** Simplified cost options, including the standard unit cost, should be extended to all measures where the amounts being considered are small (e.g. sub-measure 6.3 but also 1.2), in line with the principles of the Common Agricultural Policy 2021-2027. The standard unit cost/single payment amount should be revised halfway through the programming/implementation period on the basis of the actual costs incurred to ensure its correctness and absorption of the funds.

Conclusion 14. Although for several measures and all the analysed phases (submission - contracting - assessment - the submission of Single payment request on the spot control) NRPD procedures are considered bureaucratic to an average extent, the number of documents that could be removed at this time is limited. On the one hand, the Managing Authority/AFIR/APIA already took many simplification measures (accessing existing databases for obtaining certain documents - ONRC, ANAF, on-line applications) and beneficiaries and non-beneficiaries (potential beneficiaries and rejected applicants) admit that it is necessary to submit supporting documents for substantiating the funding application and payment. On the other hand, it is necessary to be able to ask for clarifications and to minimize the possibility of rejecting good quality projects on the grounds of form (failure to send a document exactly as requested, for example

46 Analysis by PwC using Fiscal Council data: https://www.pwc.ro/en/press\_room/assets/2017/RO/Comunicat%20de%20presa%20PwC Studiu%20PwC%20sec\_torul%20agricol%20din%20Romania\_final.pdf

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the bank identification form). In this context, the following documents have made the process difficult for the beneficiaries and they are redundant or need to be modified:

- Financial statements registered with the Financial Administration balance sheets forms 10 and 20 related to the last 2 years of the training provider and of each partner can be provided directly by ANAF (National Agency for Fiscal Administration);
- Extract from REVISAL (Electronic Personnel Registry) to demonstrate/support requirements for proposed experts;
- The financing application file should not contain all the supporting documents regarding the the expenditure, as they are already checked by the authorized auditor when drafting the audit/insurance report;
- The preparation of the Single payment request by the beneficiary in case of selecting a project requiring it;
- Sanitary authorization/Notification of compliance with sanitary legislation issued no more than one year prior to the submission of the financing application, for the units that are modernized and authorized/approved according to the legislation in force the sanitary authorization issued according to the law is sufficient;
- Document issued by the Interprofesional Organization for Agricultural Products (OIPA), which shows that the applicant and, if applicable, the third parties with whom they sign contracts and/or pre-contracts, is/are a member thereof, a document endorsed by the board of directors OIPA membership can be checked on the MADR website;
- Certificate of conformity of ecological agricultural products the information can be checked on the MADR website<sup>47</sup>;
- Traditional product certificate, issued by MADR, according to Order 724/2013 regarding the certification of traditional products the information can be checked on the MADR website<sup>48</sup>;
- Pre-contracts/contracts signed directly with retailers, tour operators, restaurants etc. (for Measure 4.2a);
- The requested estimates and financial forecasts are too detailed (Annex A1 Financial estimate-Expenses incurred for design and technical assistance, Annex A2 Object estimates, Annex A3, Chapter 2 Estimates – Expenses incurred for providing the utilities required for the objective).
- The commissioning protocol, signed by the equipment suppliers (Measure 6.3);
- (sub-measure 6.5) Simplification of section C of the financing application form, section where the amount of support requested is to be filled in. This value can be automatically calculated on the basis of APIA data or replaced by the value statement received under the Simplified Small Farmers Scheme under Pillar I and an automatic calculation formula, given that a large number of financing applications include mistakes in section C.
- (sub-measure 6.5) Statement on the recheduling of payment claims submission (Form AP 0.1) and Financial Identification Annex for each payment claim, provided there are no changes to the account where the payment is to be made and the payment claims planning compared to the previous year. The financing application should be combined with an affidavit in a unique format.

**Recommendation 18.** It is necessary, in the future, to remove these documents from the different phases of the NRPD procedure, which are specific to each measure being considered.

Conclusion 15. On a general level, regarding the entire programme, the information made public by the MA and the paying agencies have provided a medium-to-large knowledge of the mechanisms of distribution and implementation of European funds/measures under consideration. Each year, APIA runs a large information campaign for eligible farmers, that involves a comprehensive set of documents in hard copy and electronic formats (brochures, fliers, leaflets, guides) as well as on-site meetings in both APIA centres

http://www.madr.ro/industrie-alimentara/produse-traditionale-romanesti/implementarea-ordinului-nr-724-2013-privind-atestarea-produselor-traditionale.html

<sup>47</sup> http://www.madr.ro/agricultura-ecologica/operatorii-certificati-in-agricultura-ecologica-2018.html

and in the mayoralties of some Administrative Territorial Units. In the case of measures (where the target group has technical capacity, either through consultants/a specialized European funds financial department or the target group consists of consultants), the level of information is higher (up to 86% according to surveys). The degree of information/understanding decreases among potential applicants/beneficiaries in the case of small farmers, with few or no technical skills. However, the information campaign is launched late, and so the information and communication measures overlap with the Single Payment requests submission campaign, which results in a large volume of work for APIA personnel during this period.

**Conclusion 16.** The AFIR and APIA websites, followed by the MA website and consultants, were the main (and most widely used/reliable) sources of information followed (at a distance) by direct informing actions at AFIR, OJFIR and CRFIR offices, caravans organized by the NRDP MA and the activities of the National Network for Rural Development (used to a less extent).

**Conclusion 17.** Information activities are rather generic (for example, sub-measure 3.1 has not been promoted at the level of initiative groups that have registered products according to European quality schemes and has not been promoted separately from other funding opportunities for farmers - the traditional promotion channels used by AFIR were used, including participation in events, activities of the NRND, and exhibitions and collaboration with GALs). The same conclusion applies to newly introduced packages under Measure 10 or to measures already identified as under-accessed (4.2a GBER).

Recommendation 19. It is imperative to implement customised information and communication actions, face-to-face with potential beneficiaries/beneficiaries, to issue information materials accessible to potential beneficiaries (e.g. in the form of schemes), to develop and publish remarks to highlight the frequent mistakes in each phase (filing/contracting/implementation) and the appropriate solutions. Concerning APIA measures, we recommend launching the information campaign much earlier than mid-February, so that the two types of activities (information/communication and the support of Single Payment Requests submission) do not overlap and overwhelm APIA workers. Additional information actions should be available on-site to avoid additional transport costs, especially for small farmers. In the case of measure 6.5, we also recommend the direct approach, through information letters (following the model implemented by APIA for Single Payment Requests), sent to beneficiaries of the Simplified Small Farmers Scheme in Pillar I with small holdings, under a threshold established by NRDP MA. This method of communication can increase the number of applicants for the measure if it is accompanied by support activities for applicants (recommended above). These activities have to be performed with the funds available under the measure 20 for Technical Assistance, in order not to affect even more the working capacity of APIA and AFIR personnel.

## **ANNEXES**

# Annex 1. List of consulted documents

## **Horizontal documents**

- Regulation (EU) 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EC) 1698/2005, OJ L 347, 20.12.2013
- Law no. 98/2016 on public procurement;
- Government Decision no. 395 of 2 June 2016 for the approval of the Methodological Norms for the application of the provisions regarding the award of the public procurement contract / framework agreement of Law no.98/2016 on public procurement;
- Decision no. 30/2017 regarding the organization and functioning of the Ministry of Agriculture and Rural Development, as well as for the modification of art. 6 par. (6) of the Government Decision no. 1186/2014 regarding the organization and functioning of the Authority for the Administration of the National System of Anti-Hail and Precipitation, with the subsequent modifications:
- Regulation (EU) No. 1303/2013 laying down common provisions for all ESI funds,
- Implementing Regulation (EU) No. No 808/2014 laying down detailed rules for the implementation of Regulation (EU) 1305/2013;
- Implementing Regulation (EU) No. Commission Regulation (EC) No 809/2014 of 17 July 2014 laying down detailed rules for the application of Council Regulation (EU) No 1306/2013 of the European Parliament and of the Council as regards the integrated administration and control system, rural development measures and cross-compliance;
- The provisions of the National Rural Development Program 2014-2020;
- Guidance documents developed by the European Commission together with the European Assessment for Rural Development.
- Order of the Minister of Agriculture and Rural Development no. 794/2016 regarding the approval of the applicant's guides related to the measures, sub-measures and state aid schemes or de minimis schemes within the National Rural Development Program 2014-2020 elaborated by the Agency for Rural Investment Financing, as subsequently amended and supplemented,
- Order of the Minister of Agriculture and Rural Development no.795 / 2016 regarding the approval of the consolidated procedures manuals of the Agency for Financing of Rural Investments related to the National Rural Development Program 2014-2020, as subsequently amended and supplemented.
- Annual Implementation Report National Rural Development Program 2014-2020 for 2017 including Annex I and II.
- Annual Implementation Report National Rural Development Program for the period 2014-2020, including Annex I and II.
- Annual Implementation Report National Rural Development Program 2014-2020 2014-2015 including Annex I and II.
- Evaluation Plan, Chapter 9.
- PNDR assessment plan 2014-2020, year 2016.
- PNUD evaluation plan 2014-2020, year 2017.
- PNDR assessment plan 2014-2020, year 2018.
- European Commission, Monitoring and Evaluation Framework for the Common Agricultural Policy 2014-2020, Luxembourg: Publications Office of the European Union, 2015.
- Report, On-going Evaluation of the National Rural Development Program 2014-2020 in the period 2017-2020, Evaluation Study I RAI 2016, September 2017.
- Final ex-ante evaluation report of the National Rural Development Program 2014-2020, March 2015.
- Information and Publicity Strategy of the National Rural Development Program 2014-2020, 11 May 2015.
- European Commission, LEADER / DLRC Evaluation Guide, August 2017.
- Minutes of the Evaluation Coordination Committee meeting on October 1, 2018.
- Minutes of the Evaluation Coordination Committee meeting in August 2018.
- Minutes of the Evaluation Coordination Committee meeting dated 26.06. 2018.

- Minutes of the Evaluation Coordination Committee meeting of 10.04. 2017.
- Minutes of the Evaluation Coordination Committee meeting dated 11.01.2017.
- Minutes of the Evaluation Coordination Committee meeting dated 15.06.2016.
- Minutes of the Evaluation Coordination Committee meeting dated 17.09.2015.
- Minutes of the Evaluation Coordination Committee meeting of 22.05.2016.
- Minutes of the Evaluation Coordination Committee meeting dated 13.02.2015.
- Minutes of Task Force Meetings (2015-2017)
- Order of the Minister of Agriculture and Rural Development no. 1292 of 3 August 2018 amending and supplementing the Annex to the Order of the Minister of Agriculture and Rural Development no. 763/2015 on the approval of the Regulation on the organization and functioning of the selection process and the procedure for checking the appeals for the projects related to the measures of the National Rural Development Program 2014-2020 (NRDP)
- ORDIN on the approval of sanctions systems for measures 10 "Agro environment and climate", 11 "Organic farming" and 13 "Payments for areas facing natural constraints or other specific constraints" provided for in the 2014-2020 NRDP and for Measure 214 "Agri environment payments" stipulated in NRDP 2007-2013, related to payment applications filed since 2017 published 15.02.2017.

## Sub-measure 1.1

- Measure Sheet 1 Actions for knowledge transfer and information actions
- ORDIN 2373 of 17.11.2015 regarding the approval of the Procedure Manual for the evaluation and selection of projects submitted within the framework of calls for proposals related to Measure 1 "Actions for the transfer of knowledge and information actions" within the National Rural Development Program.
- ORDIN 116 of 22.01.2016 approving the Regulation on the organization and functioning of the Selection Committee and the Complaints Commission for the projects related to Measure 1 "Actions for the transfer of knowledge and information actions" of the National Rural Development Program 2014-2020 (RDP).
- ORDER no. 836 of 17 June 2016 on the approval of the Applicant's Guide to Accessing Measure 1 Actions for the Transfer of Knowledge and Information Actions, sub-measure 1.1. Support for training, as well as actions for the acquisition of competences under the NRDP 2014-2020, Call for proposals no. 1/2016 Vocational training for farmers holding commitments on Measure 10 Agri-environment and Climate.
- Applicant's Guide for accessing Measure 1 Sub-measure 1.1 Call for proposals no. 1/2016 Vocational training for farmers holding 10th agri-environmental commitments and climate.
- Applicant's Guide for accessing Measure 1 Sub-measure 1.1 Call for proposals no. 2/2016 Vocational training for farmers, in particular support for sub-measures 6.1 and 6.3 Actions for the transfer of knowledge and information actions, sub-measure 1.1 Support for training and skills acquisition.
- Evaluation report Call for proposals no. 1/2016
- Selection Report Call for Proposals no. 1/2016
- Rectified Selection Report Call for Proposals no. 1/2016
- Revised evaluation report Call for proposals no. 1/2016
- Evaluation report Call for proposals no. 2/2016
- Evaluation report Call for proposals no. 2/2016 Vocational training for farmers, in particular beneficiaries of support for sub-measures 6.1. and 6.3, with related modifications.
- Selection Report for Projects submitted under Call No.2 / 2016.
- Regulation on the organization and functioning of the Selection Committee and the Complaints Board for sub-measure projects 1.1. Support for professional training and skills acquisition by using standard unit costs, a procedure developed through the web portal portal through the web portal.
- Procedure Manual for Enrollment of Vocational Training Providers in the Register of Eligible Vocational Training Providers and Selection of Financing Applications Submitted in Submeasure 1.1. Support for training and skills acquisition through standard unit costs, a web portal procedure.
- Applicant's Guide for accessing the sub-measure 1.1. Support for training and skills acquisition through standard unit costs, a web portal procedure.
- Applicant's Guide Sub-measure 6.1 Support for Young Farmers Installation Session 2018 Online submission.

- Applicant's Guide Sub-measure 6.3 Support for small farm development Session 2018 Online submission.
- PNDR-2014-2020, Version 8, approved on 10 December 2018.

### Sub-measure 1.2

- Measure Sheet 1 Actions for knowledge transfer and information actions
- Regulation on the organization and functioning of the Selection Committee and the Complaints Commission for projects under Sub-measure 1.2 "Support for Information and Demonstration Activities" of the National Rural Development Program 2014-2020 (NRDP).
- Operational Procedures Manual for the Evaluation and Selection of Projects Submitted in Call for Proposals Sub-Measure 1.2 Support for Information Actions and Demonstration Activities.
- Applicant's Guide Call for proposals no. 1/2018 Information actions for farmers (09.08.2018).
- Applicant's Guide Call for proposals projects no. 2/2018 Demonstrative activities for farmers to be supported by the Ecological Farming Measure (Measure 11) (09.08.2018 09.11.2018)
- Applicant's Guide Call for proposals no. 3/2018 Information actions for farmers on minimum biosecurity measures and sanitary veterinary norms in pig breeding (27.12.2018 27.03.2019)
- August Evaluation Report, Call for Proposals No.1 / 2018 Information actions for farmers under Sub-measure 1.2 "Support for Information and Demonstration Activities"
- Evaluation report for September (approved on 09.11.2018), Call for proposals No.1 / 2018 Information actions for farmers under Sub-measure 1.2 "Support for information actions and demonstration activities".
- Selection Report for September, Call for Proposals No.1 / 2018 Information actions for farmers under Sub-measure 1.2 "Support for information and demonstration activities".
- Evaluation Report for October, Call for proposals No.1 / 2018 Information actions for farmers under Sub-measure 1.2 "Support for information and demonstration activities".
- Regulation on the organization and functioning of the Selection Committee and the Complaints Commission for the projects under sub-measure 1.2 "Support for demonstration activities and information actions" of the National Rural Development Program 2014-2020 (NRDP), Call for proposals No 3/2018.
- Operational Procedures Manual for the Evaluation of Projects submitted under Call for Proposals no. 3/2018 Information actions for farmers on minimum biosecurity measures and sanitary veterinary norms in subsistence farming related to Sub-measure 1.2 Support for demonstration activities and information actions and information actions.

# Sub-measure 2.1

- M02 Measure Sheet Advisory services, farm management services and farm replacement services
- ORDER no. 985 of 05.12.2016 on the approval of the Manual of Procedure for Public Procurement of Counseling Services financed through Measure 2 "Advisory Services, Farm Management Services and Farm Replacement Services", version 2 of the National Rural Development Program.
- ORDER no. 92 of 10.04.2017 amending the Annex to the Order of the Minister of Agriculture and Rural Development no. 985/2016 on the approval of the Manual of Procedure for Public Procurement of Counseling Services financed under Measure 2 "Advisory Services, Farm Management Services and Farm Replacement Services", version 2 of the National Rural Development Program.
- Awarding Documentation on Acquisition of Counseling Services for Farmers Agribusiness Agents
- Awarding Documentation on Acquisition of Counseling Services for Farmers Agribusiness Agents
- Attribution documentation on Advice to farmers who have agri-environmental commitments
- Awarding Documentation on the Acquisition of Advisory Services to Agricultural Producers for the Establishment and Development of Associative Forms in the Agricultural Sector
- Awarding Documentation on the Acquisition of Advisory Services to Agricultural Producers for the Establishment and Development of Associative Forms in the Agricultural Sector
- Awarding Documentation on the Acquisition of Advisory Services to Agricultural Producers for the Establishment and Development of Associative Forms in the Agricultural Sector
- Awarding Documentation on Acquisition of Counseling Services for Farmers Operating on Farms (Farmers 6.1 and 6.3)

## Sub-measure 3.1

- Regulation (EU) 1535/2015
- Regulation (EU) No. Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on the quality systems for agricultural products and foodstuffs, OJ L 343, 14.12.2012
- Sub-measure sheet 3.1 "Support for first-time participation in quality schemes"
- Applicant's Guide Sub-measure 3.1 "Support for first-time participation in quality schemes". Version 01 July 2018
- Order no. 1253 of November 6, 2013 for the approval of rules on the registration of operators in organic farming
- Order no. 417 of 13 September 2002 approving the Specific Rules on the Labeling of Organic Food Products
- Measure Sheet M04 Investments in physical assets.
- Applicant's Guide sub-measure 4..2a Investments in the processing / marketing of fruit-growing products.
- Applicant's Guide GBER State Aid Scheme "Stimulating Regional Development by Making Investments for the Processing and Marketing of Products in the Fruit Sector to Produce Non-Agricultural Products" and the "Minimum Scheme" Support for Consulting Services for the Implementation of Investment Projects for the Processing and marketing of fruit sector products to obtain non-agricultural products related to sub-measure 4.2a Investments in the processing / marketing of fruit-growing products.
- Applicant's Guide, sub-measure 4..2a Investments in the processing / marketing of fruit-growing products. Scope of IT territory.

# Sub-measure 4.2a (ITI / GBER)

- Measure fiche 4.2a Investments in the processing / marketing of fruit and vegetable products
- Applicant's Guide sub-measure 4..2a Investments in the processing / marketing of fruit-growing products.
- Applicant's Guide GBER State Aid Scheme "Stimulating Regional Development by Making Investments for the Processing and Marketing of Products in the Fruit Sector to Produce Non-Agricultural Products" and the "Minimum Scheme" Support for Consulting Services for the Implementation of Investment Projects for the Processing and marketing of fruit sector products to obtain non-agricultural products related to sub-measure 4.2a Investments in the processing / marketing of fruit-growing products.
- Applicant's Guide, sub-measure 4..2a Investments in the processing / marketing of fruit-growing products. Scope of IT territory.
- "The Fruit Tree Sub-Program" of the NRDP 2014-2020
- Evaluation and selection reports (all)
- PNDR-2014-2020, Versiunine 1-8, of which the last one was approved on 10 December 2018.
- The web pages of ORLANDO, ZAREA and KANDIA.

## **Sub-measure 6.3 ITI**

- File M06 Development of farms and businesses.
- Local Development Program 2014-2020, June 30, 2017.
- Local Development Program 2014-2020, July 23, 2018.
- Decision no. 602 of 24 August 2016 on the approval of the Integrated Strategy for Sustainable Development of the Danube Delta.
- Applicant's Guide Sub-measure 6.3 Applicability Area ITI Support for small farm development (including its annexes)
- Selection report, Unfinished Sm 6.3-ITI, 2018, Stage 2, 2019.03.08.
- Selection Report, Selected, Sm 6.3-ITI, 2018, Stage 2, 2019.03.08
- Selection Report, Selected, Sm 6.3-ITI, 2018, Stage 1, 2018.11.29.
- Selection Report, Unfinished, Sm 6.3-ITI, 2018, Stage 1, 2018.11.29.
- Selection Report, Selected, Sm 6.3-ITI, 2017, Stage 4, 2018.01.05.
- Selection Report, Unfinished, Sm 6.3-ITI, 2017, Stage 4, 2018.01.05.
- Selection Report, Selected, Sm 6.3-ITI, 2017, Stage 3, 2017.11.07
- Selection Report, Unfinished, Sm 6.3-ITI, 2017, Stage 3, 2017.11.07.
- Selection Report, Selected, Sm 6.3-ITI, 2017, Stage 2, 2017.09.06.

- Selection Report, Unfinished, Sm 6.3-ITI, 2017, Stage 2, 2017.09.06
- Grant application of the selected beneficiary for the case study, SM 6.3 ITI.
- Business plan of the beneficiary selected for the case study, sM 6.3 ITI.

### Sub-measure 6.5

- Sub-measure sheet 6.5 "Scheme for small farmers"
- Ad. Project application no. 1/2016
- Applicant's Guide Sub-measure 6.5 "Scheme for Small Farmers". Version 01 December 2016
- Ad. Project application no. 2/2017
- Applicant's Guide Sub-measure 6.5 "Scheme for Small Farmers". Version 02 October 2017
- Evaluation and selection reports for all projects submitted to project applications no. 1/2016 and no. 2/2017
- Study of the National Prognosis Commission on Consolidating Agricultural Exploitation (2012), http://www.cnp.ro/inovatie/docs/principalelelivrabile/09\_Rezumat%20studiu%20-%20Consolidarea%20exploatatiilor%20agricole.pdf
- Report of the National Agency for Cadastre and Real Estate Advertising (ANCPI) regarding the
- state of implementation of the National Cadastre Program in 2018 and the additional necessary measures:http://www.ancpi.ro/files/Statistici\_home\_page/stadiu\_pnccf\_20180713.pdf

## Sub-measure 8.1

- Law no. 46/2008 on the Forest Code
- Sub-measure sheet 8.1 "Afforestation and creation of woodland"
- Quantification Order 857/2016 approving the state aid scheme "Support for the first afforestation and the creation of wooded areas"
- Applicant's Guide to the State Aid Scheme "Support for First Afforestation and Woodland Surface" related to Measure 8 "Investments in the Development of Wooded Areas and Improvement of Forest Durability" sub-measure 8.1 "Afforestation and the creation of forested areas". Version 1 - July 2016
- Applicant's Guide to the State Aid Scheme "Support for First Afforestation and Woodland Surface" related to Measure 8 "Investments in the Development of Wooded Areas and Improvement of Forest Durability" sub-measure 8.1 "Afforestation and the creation of forested areas". Session 2017. 2nd Edition, Revision 1 - August 2018
- Instruction no. 22/1 of 04.09.2018. Changes to the Applicant's Gid applicable to Session 2017
- Ammulal of Procedures for Receiving, Evaluation, Selection and Contracting of Support Requests for the State Aid Scheme Support for First Afforestation and the Creation of Wooded Areas". APIA
- Leavily Evaluation and selection reports for the 2016 and 2017 support applications sessions of the state aid scheme "Support for first afforestation and the creation of wooded areas"

## Sub-measure 9.1

- Law no. 566/2004 of the agricultural co-operation
- Sub-measure sheet 9.1 "Establishment of producer groups"
- Ad. Project application no. 1/2016
- Applicant's Guide Sub-measure 9.1 "Setting up producer groups". Version 02 April 2017
- $\mathbb{Q}_{--}$  Order 847/2016 on the approval of the Regulation on the organization and functioning of the evaluation, verification, contestation and selection process for projects under sub-measure 9.1 "Establishment of producer groups" and 9.1a "Establishment of producer groups in the fruit sector" of the Program National Rural Development 2014-2020 (NRDP)
- PwC's analysis of tax evasion in the agricultural sector using Fiscal Council data: https://www.pwc.ro/en/press\_room/assets/2017/RO/Comunicat%20de%20presa%2 <u>OPwC Studiu%20PwC%20sectorul%20agricol % 20 From% 20Romania\_final.pdf</u>

## Sub-measure 9.1a

- Law no. 566/2004 of the agricultural co-operation
- Sub-measure sheet 9.1a "Establishment of producer groups in the fruit sector"
- Ad. Project application no. 1/2016
- Applicant's Guide Sub-measure 9.1a "Establishment of producer groups in the fruit sector". Version 02 - April 2017

- Order 847/2016 on the approval of the Regulation on the organization and functioning of the evaluation, verification, contestation and selection process for projects under sub-measure 9.1 "Establishment of producer groups" and 9.1a "Establishment of producer groups in the fruit sector" of the Program National Rural Development 2014-2020 (NRDP)
- PwC's analysis of tax evasion in the agricultural sector using Fiscal Council data: <a href="https://www.pwc.ro/en/press room/assets/2017/RO/Comunicat%20de%20presa%2">https://www.pwc.ro/en/press room/assets/2017/RO/Comunicat%20de%20presa%2</a> OPwC Studiu%20PwC%20sectorul%20agricol % 20 From% 20Romania final.pdf

## Measure 10.1

- Measure Sheet M10 Agri-environment and Climate.
- Law no. 46/2008 on the Forest Code
- SINGLE PAYMENT REQUEST 2018
- Order no. 999/2016 on the approval of the system of administrative sanctions for cross-compliance applicable to support schemes and measures for farmers as from 2016
- Order no. 1416/2018 amending and supplementing the Order of the Minister of Agriculture and Rural Development no. 999/2016 on the approval of the system of administrative sanctions for cross-compliance applicable to support schemes and measures for farmers as from 2016
- Brochure and other information materials APIA 2015-2019
- Delegated Regulation (EU) No. Commission Regulation (EU) No 640/2014 of 11 March 2014 supplementing Regulation (EU) 1.306 / 2013 of the European Parliament and of the Council as regards the Integrated Administration and Control System and the conditions for denial or withdrawal of payments and administrative sanctions applicable to direct payments, support for rural development and cross-compliance.
- Statistical situation of the beneficiaries of Packages 1 and 2 compared to the entire territory eligible at county level APIA Timis
- Statistical situation of payments, which has benefited, since 2007, the Sita Buzaului Producers Association, Covasna County.

## Sub-measure 15.1

- Law no. 46/2008 on the Forest Code
- Sub-measure sheet 15.1 "Payments for commitments in the field of forestry and climate"
- Applicant's Guide to the State Aid Scheme "Forestry Services, Climate Services and Forest Conservation" related to Measure 15 "Forestry Services, Climate Services and Forest Conservation" Sub-Measure 15.1 "Payments for Forestry and Climate Commitments". Session 1/2017
- Operational procedure for receiving, managing and selecting applications for support for the state aid scheme "Forestry services, climate services and forest conservation", session 1/2017
- Order 1048/2018 regarding the approval of the application form for the payment claim type, 2018, for the session 1/2017, the 2nd year of commitment State aid scheme "Forestry services, climate services and forest conservation", related to Measure 15 "Services Forestry, Climate Services and Forest Conservation", Sub-measure 15.1" Payments for the Forestry and Climate Commitments "of the National Rural Development Program 2014-2020 (NRDP)
- Applicant's Guide to the State Aid Scheme "Forestry Services, Climate Services and Forest Conservation" related to Measure 15 "Forestry Services, Climate Services and Forest Conservation" Sub-Measure 15.1 "Payments for Forestry and Climate Commitments". Session 2/2018.
- Evaluation and selection reports: intermediate and final, for all requests for support submitted in session 1/2017







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