



# EX-POST EVALUATION ON THE IMPLEMENTATION OF SAPARD PROGRAMME IN ROMANIA DURING 2000-2008

**AUGUST 2011**

FINAL REPORT OF THE EX-POST EVALUATION OF SAPARD - ROMANIA



**FINAL REPORT**

<b>Contract title:</b>	<b>“Elaboration of the Ex-post Evaluation on the Implementation of SAPARD Programme in Romania during 2000-2008”</b>
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**List of acronyms**

AASF	Academy of Agricultural Sciences and Forestry
ACSI	Authority for Coordination of Structural Instruments
AP	Authorised Person
CAP	Common Agricultural Policy
CEDB	Council of Europe Development Bank
CF	Cohesion Fund
CFCU	Central Finance and Contracts Unit
CPORDF	County Paying Office for Rural Development and Fishery
CMEF	Common Monitoring and Evaluation Framework
CNDP	Complementary National Direct Payments
CSO	Common Strategic Objectives
DARD	Department for Agriculture and Rural Development
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EC	European Council
EEC	European Economic Community
EERP	European Economic Recovery Plan
EFF	European Fisheries Fund
EIB	European Investment Bank
ERDF	European Regional Development Fund
EU	European Union
FA	Family Association
FSS	Farm Structure Survey
GDP	Gross Domestic Product
GDRD	General Directorate for Rural Development
GG	Greenhouse Gases
GVA	Gross Value Added
IBRD	International Bank for Reconstruction and Development
ILO	International Labour Office
IOS	International Organisation for Standardisation
IR 1	Interim Report No. 1
IR 2	Interim Report No. 2
IR 3	Interim Report No. 3
LFSH	Labour Force Survey in Households
LU	Labour Units
MA	Managing Authority
MAFA	Multi-Annual Financing Agreement
MARD	Ministry of Agriculture and Rural Development
MEF	Ministry of Economy and Finance
MESD	Ministry of Environment and Sustainable Development
NAAC	National Agency for Agricultural Consultancy
NACLR	National Agency for Cadastre and Land Registration
NACSF	National Authority for Coordination of Structural Funds
NAFA	National Agency for Fishery and Aquaculture
NALI	National Administration for Land Improvement

NAMA	National Agency of Mountain Area
NDP	National Development Plan
NFA	National Forest Administration
NGO	Non Governmental Organisation
NIS	National Institute of Statistics
NNPAR	National Network of Protected Areas in Romania
NNRD	National Network for Rural Development
NRDP	National Rural Development Programme
NRP	National Reform Programme
NSC	National Steering Committee
NSP	National Strategic Plan
NSY	National Statistical Yearbook
OECD	Organisation for Economic Cooperation and Development
OP	Operational Programme
PARDF	Paying Agency for Rural Development and Fishery
PIAA	Paying and Intervention Agency for Agriculture
RFA	Romanian Forestry Authority
ROISP	Regional Office for the Implementation of SAPARD Programme
ROP	Regional Operational Programme
RPCRDF	Regional Paying Centre for Rural Development and Fishery
SAPARD	Special Accession Programme for Agriculture and Rural Development
SAPS	SAPARD Application Processing System
SME	Small and Medium sized Enterprises
SO	Strategic Objectives
SOP	Sectoral Operational Programme
SOPHRD	Sectoral Operational Programme for Human Resources Development
TICDC	Training and Innovation Centre for Development in the Carpathians
UASVM	University of Agricultural Sciences and Veterinary Medicine
UNESCO	United Nations for Education, Science and Culture Organisation

## 1. ADMINISTRATIVE SUMMARY

### 1.1 Key evaluation findings

#### Socio-economic and legislative impact of SAPARD Programme

The most important socio-economic impact of SAPARD Programme is certainly the positive impact that investments had in revitalising labour market in rural areas through the creation / maintenance of new jobs, which is a cross-cutting issue throughout the Programme and for all measures. The investigations conducted by the Evaluator showed a contribution of the Programme to the creation / maintenance of about 72,000 jobs in the Romanian rural areas, a slightly lower value than the target set during the programming stage. This contribution was particularly important especially for Investment Measures 1.1/3.1/3.4 and partly for Measure 3.5. Of course, this Programme alone did not stop the "brain drain" of rural areas, which lost in seven years (from 2002 to 2009), about 5.2% of the population, still it contributed at least to limiting this phenomenon. Also, the ability to affect the entire existing system was limited, taking into account that the jobs maintained / created through the SAPARD Programme are only 1.8% of total employment in rural areas.

Another key issue in socio-economic terms is the contribution of the Programme to improving living standards and conditions of the population in rural areas. In this regard, on the one hand, the interventions for infrastructure modernisation / development (Measure 2.1) seriously improved access to basic services, and, on the other hand, the measures for private companies (1.1 / 3.1/3.4) had an important impact on household income and also on the quality of life. In particular, Measure 2.1 contributed to the improvement of several elements of rural life, including economic development, general living standard, population stabilization and environmental protection, through SAPARD being realised: a significant saving of journey time to / from areas of beneficiaries from / to the nearest county capitals (approx. 40%); an increase of the percentage of population served by sewerage infrastructure from 22% to 70%, the improvement of the general living conditions of the population, including health conditions and general comfort.

As regards the progress on revenue and therefore the improvement of living conditions and the purchasing power of rural population, the result was that on average SAPARD beneficiaries have seen revenue growth due to funding approx. 33% as compared to the pre-investment value. The implementation of projects under SAPARD financing led to an increase in revenue for about 64% of about 3,500 direct beneficiaries of the investment measures.

*Therefore, it is obvious that the Programme, both in terms of access to services and of improvement of income contributed in a quite positive manner to keep living conditions in rural areas.*

In terms of policy – legislation, SAPARD Programme gave an important impetus to **adapting the existing framework** for Romania's EU accession. In particular, 2000 marked the beginning of the decade of integration, characterised by reforms directed to the adoption of the *acquis communautaire*, to the status of market economy and to supporting commercial holdings. In this context, various forms of support were given to improve the technical equipment of farms, to support production of goods and procurement of inputs (*source: Final Report on SAPARD Programme implementation in Romania*). Moreover, a number of relevant legal documents was approved, totalling 50 documents (the most important), on the following main topics: the

institutional system of management of agricultural policy and rural development; ratification of Romania's agreements with the EU in terms of SAPARD Programme; regulation of producers' groups; regulation of less favoured areas (including areas affected by floods), agricultural loans.

### **SAPARD environmental impact**

Regarding the environmental impact of SAPARD Programme, two separate issues should be considered:

- on the one hand, the Programme had no negative environmental effects; on the contrary, it helped the environment by facilitating access to financing from beneficiaries complying with environmental and even with community standards at the time of applying for financing and at end of funded projects, under the provisions of the Protocol signed between the Ministry of Environment and the PARDF in 2006.
- On the other hand, the Programme contributed directly to improving environmental conditions in rural areas by financing specific interventions,

In this regard, a further distinction has to be made:

Regarding the *contribution of private sector investments* to protect the environment, it is noted that the measure that should have had the greatest impact, Measure 3.3, focused on promoting agricultural systems with low environmental impact, did not have the expected results, primarily because the measure was accessed by a single beneficiary.

On the other hand, the Evaluator noted the relatively important impact that *public sector investments* has had in certain sectors on improving environmental conditions, particularly in the field of soil protection. In this regard, it should be remarked the important contribution that sewerage infrastructure has on soil quality, and the importance of infrastructure improvements made to prevent and protect against flooding, as well as of investments dedicated to preserving and strengthening forest resources for the sustainable use of land and natural heritage in general. Therefore, in view to estimate the rural territory area that has been directly or indirectly protected through SAPARD investments the following components have been considered:

1. the average surface of rural areas, applied to 91 beneficiaries / villages under Measure 2.1, sub-measure 3 concerning the sewerage system;
2. land hectares attained by investments in flood protection;
3. land hectares attained by afforestation measures;
4. land attained by agro-environmental measure.

This estimation showed that about 1.8% of Romania's territory was directly protected / improved through interventions financed from SAPARD Programme (see more details in the answer to L5 evaluation question). Moreover, the Evaluator believes that this share is in fact underestimated because it has not included the area attained by road infrastructure projects which, certainly, contributed indirectly to reduce air pollution in interested area, by traffic thinning and by reducing the time necessary to cover distances.

In terms of volume of waste treated following investments made through the SAPARD Programme, it can be estimated at about 16.3 million m<sup>3</sup> in terms of the contribution to wastewater treatment under sub-measure 3 of measure 2.1, the estimation being based on the survey conducted on respective sub-measure beneficiaries. To these, the purified waste products resulted from meat and milk processing under measure 1.1 can be added, the authorisation of these investments being subject to insuring in an appropriate manner the pre-treatment or treatment stations, depending on the existing infrastructure in the site. These waste products total a volume ten times<sup>1</sup> the volume of treated wastewater from carrying out infrastructure investments under sub-measure

<sup>1</sup> Source: data provided by the Beneficiary.

3 of measure 2.1 that means about 163 million m<sup>3</sup> of treated water, which, together with those mentioned above sums about 179 million m<sup>3</sup> of treated product. The volume of treated water is estimated at about 20% of the flow of stations in service for treating the wastewater existing in Romania in 2004.

Although it is not possible to precisely quantify the amount of solid waste treated after the implementation of investments co-financed by the SAPARD Programme, it should be remarked that the substances remaining after wastewater treatment are collected as dehydrated sludge used successively as agricultural fertilizer, thus contributing to environmental protection.

Also, solid waste (inedible or confiscated) resulted from meat processing are collected in conditions of outstanding hygiene and delivered to units specialised and authorised to process them, thus having no negative impact on the environment.

### **SAPARD Programme implementation system**

For the entire period 2000-2006, the SAPARD Programme on 31.12.2009 engaged resources amounting to approximately 1,354,929,000 Euro. In absolute terms, measures 1.1, 2.1, 3.1 and 3.4 absorbed the largest share of the total resources engaged, registering commitments of 24.90% (Measure 1.1), 45.69% (Measure 2.1), 17.01% (Measure 3.1) and 4.93% (Measure 3.4) (Source: Romania SAPARD Programme Final Report, p. 168). The payments made through the Programme amounted to 1,348,015 million Euro, absorbing 88.60% of the total funds available in the period 2000-2009, which suggests a good efficiency of expenditure.

However, the Programme outputs objectives, with respect to the number of projects planned to be implemented have been achieved only under Measure 2.1. This depended on two aspects, mainly:

- first, the Programme approach preferred to concentrate resources on larger projects than the scheduled ones (eg favouring beneficiaries having a greater capacity of co-financing and the ability to complete projects), except for projects under Measure 2.1, which were smaller, on average;
- secondly, the targets set forth in the programming document were "overstated", not taking into account inflation processes in Romania.

As regards the regional distribution of implemented interventions, the resources concentrated in the North East and South-Muntenia regions, mainly due to the high absorption of funds under Measure 2.1 on the development of rural infrastructure, followed by the South East and Centre regions, these regions having an important capacity to produce and process agricultural products, followed by South West Oltenia, West and Northwest regions, and, lastly, by Bucharest-Ilfov region.

The strengthening of the Managing Authority and the distribution of responsibilities between the various bodies involved were successfully completed after 2006. Moreover, as shown by the results of the survey conducted among MA / PARDF employees, adequate training has been provided to the staff, and working procedures were used properly. However, both the staff of the MA / PARDF, and the beneficiaries declared the need to simplify processes and procedures, especially in order to reduce the distance between the Programme management and the beneficiaries, and the time spent evaluating and selecting projects, so that the waiting period until the contracting stage should be reduced, and the needs of beneficiaries addressed sooner.

The beneficiaries interviewed generally considered positively the interaction with the Managing authority / agencies involved in Programme implementation, but the need to reduce bureaucracy and simplify procedures has often been highlighted. However, this is only possible in close collaboration with other relevant stakeholders involved, including the authorities issuing and / or requiring the necessary authorisations for investments (Municipalities, Regional Environmental Agencies, etc.).

Although the sources of information of potential beneficiaries were many and varied, as shown in the results of the questionnaires on beneficiaries, the role of Programme implementation structures in providing information on typologies and funding procedures increased following the strengthening of the institutional system, which was made after 2006. Moreover, the information measures carried out under the Technical Assistance Measure reached a relevant number of potential beneficiaries (23% of farmers and 35% of local public administrations) and a significant proportion of rural population (about 11% of the total).

Regarding the appropriate involvement of stakeholders in the programming stage for the next period 2007-2013, as recommended by the intermediate Evaluator, this was ensured through the following initiatives, as outlined in the National Rural Development Programme 2007-2013:

- organising the meetings of the 18 technical working groups articulated according to Programme priority axes – the technical consultation process started in mid-December 2006, each working group with two sessions of consultations. The role of technical advisory meetings was to ensure transparency and to disclose to relevant partners the provisions of measures technical fiches and enable these partners to contribute to the improvement of measures, as needed, in terms of expertise, too;
- organising territorially non-technical consultations, aimed at highlighting the needs identified in rural areas by stakeholders that could be covered by the NRDP. Thus, the most important economic, social and environment stakeholders from rural areas involved in rural development were involved in related fields corresponding to the 2007-2013 NRDP 4 axes;
- organising consultations on the Programme Strategic Environmental Evaluation (7 meetings).

Also, the programming stage of the next programming period, 2007-2013 responded appropriately to the recommendation of the Intermediate Evaluator and in line with the comments of SAPARD beneficiaries, who highlighted the need to create financial credit instruments to facilitate projects' co-financing, without putting the land, already excessively fragmented, as collateral.

Moreover, within the new Programme, budget limitations established for fund granting took into account the experience gained under the SAPARD Programme and under the experience of Farmer Programme (considered to be good practice), higher amounts being thus granted depending on the measure, while the requirement for compliance with the EU standards / legislation on hygiene and safety, on environment, etc. was properly maintained.

Finally, in the new programming period, as recommended by the Intermediate Evaluator, the Guidelines for Applicants for each measure were simplified. However, the results of the survey carried out among MA / PARDF civil servants showed that the procedures for implementing the Programme and the requirements for obtaining funding and implementing projects became more difficult.

## Efficiency, effectiveness, relevance and sustainability of funded measures

### Measure 1.1

Measure 1.1 was very effective in financial terms, with a capacity to absorb the allocated funds of about 92%. However, the Measure was less effective in terms of achieving physical targets as regards the number of projects, the capacity to achieve them being of only 24% and, in any case, below 50% even in the case of the sub-measures with the highest achievement capacity ("Grains" and "Meat, meat products and eggs").

On the other hand, the degree of achievement of results indicators was high, so, in this regard, the measure demonstrated a more than satisfactory level of efficiency, and, as a result of SAPARD financing, farm income increased significantly, the investments made leading to many improvements and changes at farm level.

Based on the survey on beneficiaries, it was found that the investments made have been sustainable and had lasting effects over time, they facilitating the trade and types of products, production increase and, especially, job maintenance and creation and value added increase for products obtained in the food and drinks industry in Romania (2002-2007) from 19.9% to 22.1%.

Measure 1.1 was highly relevant to the needs identified during the programming period, and focused, among others, on: the low level of compliance of Romanian products as compared to EU processing standards; an inadequate level of food safety; underdeveloped marketing channels.

### Measure 1.2

Measure 1.2 showed a relatively good efficiency of expenditure, absorbing about 87% of allocated funds, but below the 89% average recorded within the Programme. The efficacy of the measure was full: practically all the beneficiaries that had to be involved participated in the initiative, reaching 100% of the target set.

Also, the result and impact indicators show a very good trend, revealing that at present Romania has an effective sanitary control system for livestock and plant production, which fully responds the needs identified as regards the alignment of Romanian products to required EU standards of plant health quality and food safety, showing, therefore, the relevance of Measure 1.2 for the development of agri-food system in Romania in accordance with the *acquis communautaire*.

Thus, the Measure contributed to the consolidation of a sustainable institutional framework in the sanitary, veterinary and plant health field.

### Measure 2.1

Measure 2.1 had among the highest levels of efficiency of expenditure, on 31.12.2009 over 97% of the contracted amounts being paid. Also, it should be remarked a very high effectiveness of this measure, the targets set being exceeded in both the number of implemented projects (the achievement capacity being of 117%) and the number of people touched by the improvements made (four times higher than the expected number).

At the same time, results and impact indicators show the positive effects derived from the implementation of this measure, in particular by increasing the share of rural localities served by sewerage and water infrastructure (growing in average from 35% to 40%), by the increase of tourist attractiveness of rural areas (+500% the number of tourists registered in agro-tourism), by

the overall improvement of living conditions of people attained by the infrastructure improved / created and by creating new jobs (16,000). Of course, Measure 2.1 has been highly relevant to the needs identified during the programming stage, the NPARD showing very clearly that the rural areas infrastructures in general and, in particular, transport, water and sewerage distribution infrastructures were in 1997-1998 very poor: half of the rural areas were not directly connected to main roads and less than 10% of local and county roads were modernised, the drinking water network existed in about 20% of rural localities, serving about a quarter of rural population; the sewage system existed in less than 3% of rural localities. The existing needs are quite high even today and the sustainability of Measure 2.1 is relatively low because of provisions to reduce budgetary expenditures within public administrations, due to current economic crisis, which can limit the ability of local governments to further maintain / manage the infrastructures financed under SAPARD Programme.

### *Measure 3.1*

Measure 3.1 has been quite effective financially, more than 91% of the amounts allocated having been spent. However, the measure has not reached all output targets, the effectiveness of the measure being relatively low in terms of project achievement capacity (18% of the planned projects) and of support to young farmers (the ability to achieve this indicator being only 25% as compared to the target proposed). However, Measure 3.1 had positive results and impacts on the number of jobs as well as on farmer income growth, leading to the maintenance of about 11,000 jobs, to the creation of about 2,500 new jobs and to income increase by 50% for 38% of the interviewed beneficiaries. So, by its nature, Measure 3.1 set the conditions for the sustainability of funded interventions which focused on rationalising and reorienting production in order to increase the quality of products obtained by adopting competitive technologies, and by improving hygiene conditions and animal welfare. Moreover, Measure 3.1 was relevant to the needs identified in the NPARD as regards the alignment of Romanian products to the EU standards and the adoption of the *acquis communautaire*.

### *Measure 3.2*

The expenditure effectiveness of Measure 3.2 was very limited, only 6% of the resources available for the entire programming period being actually paid. Moreover, the Measure has not achieved any result set, all the three contracted projects being in fact cancelled before foreseen activities were completed. The measure was, therefore, neither effective, nor sustainable, at all, although foreseen interventions would have been extremely relevant to increase the competitiveness and quality of agricultural and fishery products and to improve production processes.

### *Measure 3.3*

The expenditure effectiveness of Measure 3.3 was extremely limited, only 10% of the resources available for the entire programming period being actually paid. Also, Measure 3.3 has not achieved its foreseen objectives neither in terms of quantity, nor in terms of quality, so that the measure effectiveness is extremely limited. In fact, great part of beneficiaries involved in 2008 have given up the funding applications under the SAPARD Programme in order to participate in the call for proposals sessions for similar project within the 2007-2013 NRDP.

Thus, there is a considerable continuity in terms of agro-environmental commitments made during the SAPARD period, but the overall effects and impact are neither relevant, nor currently evaluable. In conclusion, the Measure did not allow fulfilling the *acquis communautaire* required for the

management of agro-environmental interventions, which makes the sustainability of the measure, also, very low.

#### *Measure 3.4*

By spending about 81% of the allocated amounts, the expenditure effectiveness of Measure 3.4 was relatively low, but effectiveness of the measure increases if we take into account the fact that its effectiveness was even lower, only 15% of the scheduled projects being achieved. However, the measure results and impacts were relatively good, especially in the tourism sector (creation of more than 10,000 beds) and included an income increase of about 38%, by the creation of new jobs (all the interviewed beneficiaries said that after funding they employed workforce from both the family and outside of it as employees) and by business creation in rural areas (66% of the surveyed beneficiaries have established new business following the funding). The results obtained under Measure 3.4 are therefore sustainable and also highly relevant to the urgent needs identified by reference to the diversification of rural activities, in particular by developing the tourism sector requiring major investments in tourist accommodation facilities, in order to meet market requests and needs, both qualitatively and quantitatively.

#### *Measure 3.5*

The expenditure effectiveness of Measure 3.5 was below the average of the Programme, so it was relatively low, only 77% of the allotted resources being actually paid to beneficiaries. In terms of effectiveness in goal achievement, also, Measure 3.5 didn't have a great performance, only 5% of the scheduled projects, namely beneficiaries, being carried out.

However, the Measure had good results in terms of physical achievement of the indicators corresponding to the sub-measure dedicated to forest roads, pointing out the overcoming of the defined target in reference to the achieved road kilometres (+134%). In general, however, the measure has not achieved the intended objectives, none of the targets for the result and impact indicators being in fact achieved, as evidenced by the answers to the Common Evaluation Questions that are found in chapter 6.

Of course, the concentration of resources on the sub-measure corresponding to forest roads and afforestation somehow increased the sustainability of results, increased the accessibility of forests, being, in fact, a precondition for the future economic valuation of forests and the increase of the volume of timber and forest extension, being a necessity to preserve the natural habitat.

Considering the needs analysis conducted during the scheduling period and confirmed during the course of the SAPARD Programme, including the fact that, beyond their economic value, the forests of Romania have a great potential in terms of multifunctional land use, such as recreation and hunting, flood protection, biodiversity conservation, climate change mitigation and supply of non-wood forest products (berries, seeds, mushrooms, etc.), the interventions funded under Measure 3.5 were highly relevant.

#### *Measure 4.1*

The expenditure effectiveness of Measure 4.1 was below the average of the Programme, so it was relatively low, being actually spent only 77% of the resources, mainly due to the delay in the accreditation of this measure. So, Measure 4.1 has reached only to a small degree its defined targets within the NPARD 2000-2006, respectively, about 7% of the target on the number of participants (35,000) and about 20% of the target on the number of courses, which means that the Measure was less effective. However, it is to be noted that the objective on the participation of youth and women in training was fully achieved, given that these two categories of beneficiaries

together represent over 84% of all students (the target being 20%) and the ability to achieve the target in NPARD was over 28%. Regarding the relevance of the interventions financed, given the existing needs analysis, described in the scheduling document, one can say that Measure 4.1 was fully relevant, within the courses organised 80% of the issues highlighted in the NPARD being approached. The effects of training interventions are prolonged in time by their nature, thus Measure 4.1 being sustainable by definition.

#### *Measure 4.2*

Measure 4.2 registered the highest expenditure effectiveness, more than 99%, being used, virtually all the amounts allocated. Because the expected results for this measure were not quantified in the NPARD, it is not possible to accurately assess the degree to which the measure has reached the target.

However, according to the quantification of the proposed indicators based on achievements, the conclusion is that the measure was effective and relevant, considering the limited resources allocated and the complementarity with other funding sources, and given the number of information / promotional materials made, the number of studies, the number of Programme evaluations, the number of organised seminars / conferences / workshops, the number of Monitoring Committee meetings held.

In fact, the typical role of TA interventions with respect to ensuring the appropriation of procedures to implement the measures co-financed from the funds provided by the EC for rural development from all institutions / actors involved in the implementation of SAPARD Programme was rather achieved by other TA projects financed by the PHARE.

## 1.2 Conclusions

The following recommendations will be useful for Authorities responsible with the implementation of future rural development programmes.

### **Regarding the Programme Management System**

#### Recommendation 1.

Improving the monitoring system. Regarding the monitoring system, according to the Evaluator, it should be thought of as a tool to support the MA in business management, monitoring, surveillance, reprogramming and reporting, as required by the European legislation. In the current programming period, indeed, monitoring has assumed greater relevance as compared to the past, because according to Article 26 par. 3, point c) of (EC) Regulation 1290/2005, "the Commission services may suspend repayments of EU co-financing within the EAFRD where monitoring data are incomplete or unusable". Moreover, according to the provisions of art. 85 of (EC) Regulation 1698/2005, "the MA and the Monitoring Committee have to monitor the quality of Programme implementation and the progress in implementing the Programme through output and result financial indicators".

The Evaluator found that the absence of a unified and coordinated information system makes it impossible to manage directly and quickly the data necessary to conduct ordinary assessment.

It is therefore appropriate to indicate some aspects which deserve special attention and which are prioritized based on the experience of the Evaluator, in order to improve the performances and functionalities of the system:

- the implementation - within the shortest time – of a information system or *data warehouse*, managed by the Paying Agency to provide structured information in order to ensure a continuous flow of data to permit an immediate check of possible anomalies and data reorganisation according to the needs of management and Programme monitoring;
- the construction of a data-set of indicators that should enable acquisition of information of interest to support the Evaluation activity (in particular, company data, areas concerned, typologies of investments made, typologies of cultures, employed workforce, etc.) to ensure 100% of the information necessary to the output and result indicators, and such information will be available at each intervention and not as aggregated on the measure or the sub-measure, in order to allow adequate stratification and processing of the universe of reference;
- strengthening reporting functions to simplify the process of building / development to complete Annual Progress Reports.

#### Recommendation 2.

Continuing and ensuring continuous training appropriate for the MA / PARDF staff, including topics related to the Programme scheduling and monitoring, so that quantification of indicators in the programming phase should be realistic (the problem of matching indicators had also been highlighted by the Interim Evaluator) and the staff should have the tools needed for monitoring the Programme.

#### Recommendation 3.

Developing appropriate information campaigns at the same time with the Programme start, to ensure a fair dissemination of information about opportunities funded through the Programme and, consequently, a promising start for it.

#### Recommendation 4.

Continuing and strengthening the synergy and complementarity between the measures of the Programme, to promote an integrated approach to sustainable rural development by implementing appropriate mechanisms for the evaluation and selection of projects and beneficiaries, for setting up groups of strategic projects and to support certain groups of beneficiaries (such as young farmers) who, settled in rural areas, contributes to the sustainable development of these, inclusively of the demographic point of view. In this regard, the developer will be able to consider the best European practices in the field, among which in the Italian experience there are the Integrated Sector Projects (*Progetti Integrati di Filiera*, <http://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/880>, <http://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/4286>) and the Integrated Territorial Projects ([http://www.lavoro.gov.it/NR/rdonlyres/B8610853-41E0-4CDF-9E14-7125952ECA68/0/08\\_Il\\_puntosu\\_PIT.pdf](http://www.lavoro.gov.it/NR/rdonlyres/B8610853-41E0-4CDF-9E14-7125952ECA68/0/08_Il_puntosu_PIT.pdf), [http://www.dps.tesoro.it/gcs/gcs\\_progetti\\_integrati.asp](http://www.dps.tesoro.it/gcs/gcs_progetti_integrati.asp)).

### Recommendation 5.

Simplifying the procedure for the submission of funding applications, so as to move slowly from submitting documentation to the counter to submitting it electronically; for example, the funding application could be first sent in electronic format, by the original required documents being transmitted afterwards, immediately after checking of the administrative eligibility / compliance of the application form / beneficiary. To this end, the potential beneficiaries should be supported by local health structures that should facilitate this process.

### **Regarding the Programme Measures**

### Recommendation 6.

Promoting "integrated interventions", including the ones aimed at implementing food chain integration, by facilitating the development of primary products processing enterprises and of formal channels of trade for products that are compatible with the rural reality (i.e., other than the large commercial distribution), including specific product marketing projects, thus promoting the infrastructure support for agriculture (in addition to the primary infrastructure, such as sewerage, water, etc.). Sector Integration promoting agricultural value-added growth, will be a priority in the next 2014-2020 programming period (the Regulations will be published in October 2011).

### Recommendation 7.

Continuing the development and upgrading of the basic infrastructure in rural areas, integrating the interventions in this area with larger shares of renewal of villages, aiming at valuing the natural and cultural heritage typical for the Romanian rural areas.

### Recommendation 8.

Addressing the issue of subsistence agriculture, coupled with the aging of the population employed in agriculture and the excessive fragmentation of land: the continuation and consolidation of initiatives to support young farmers and producer groups.

### Recommendation 9.

Continuing and developing the completed interventions in order to improve knowledge and skills of farmers and foresters, combined with information and advice on all stages of project cycle management, from scheduling, to the physical and financial implementation, and to monitoring and reporting on progress.

### Recommendation 10.

Strengthening the role of the measure of Technical Assistance so that it can provide assistance to 360 degrees in all stages of the Programme management cycle, from planning, to implementation, monitoring, evaluation and rescheduling, and therefore transversally support the implementation of all the measures of the Programme, promoting, among others, its internal coherence.

## Regarding the Environmental Impact

### Recommendation 11.

Increasing the strategic role of measures aiming at protecting the environment actively and directly, such as the measures of agro-environment and of sustainable economic conservation / valuation of forest assets.

Moreover, in this regard, the interventions to promote agriculture in disadvantaged areas should be strengthened (measure 211 of the 2007-2013 NRDP), the projects aiming at preserving biodiversity, natural resources and environmental quality in general, and any completed action to reduce inputs in agriculture, in promoting the production models with a reduced environmental impact and providing positive externalities on the territory.

### Recommendation 12.

Staff training in the AM / PARDF to facilitate the deployment of the evaluation procedure for environmental impact and to assist beneficiaries in all the necessary steps to adopt requirements / environmental standards and prepare the corresponding documentation before submission of applications and project completion.

## 2. INTRODUCTION

### 2.1. Purpose of the evaluation report

The Final Report on Ex-post Evaluation of the SAPARD Programme, object of this document, aims at a holistic description of the results throughout the whole project, including relevant technical, financial and administrative details on project implementation and an assessment of the success of the project to meet the defined objectives.

### 2.2. Structure of the evaluation report

The indicative Structure of the Final Evaluation Report will be the following:

#### *1. Administrative summary*

This first chapter includes the main findings of the evaluation in terms of socio-economic impact of the Programme, as it is clear from the answers to the evaluation questions and the main aspects of Programme implementation, namely, expenditure effectiveness, regional distribution of resources, other aspects (such as information and publicity) of implementing the Programme.

However, this section describes the main elements of how the Interim Evaluator's recommendations were addressed in the new programming period. The chapter ends with a section on conclusions, namely, the main recommendations arising from the evaluation work, in terms of implementing the Programme, its measures and its impact on the environment.

#### *2. Introduction*

The introduction includes a description of the purpose of the evaluation report and of its structure.

### 3. Evaluation context

This chapter aims to provide the action framework for the Programme, by describing its context, including: relevant national policies (the main legislative initiatives adopted to align with the *acquis communautaire*); the social and economic needs that motivated the support granted, respectively, the description of the reference macroeconomic and social context, demonstrating the relevance of the interventions and the validation of SWOT analysis; the identification of beneficiaries and of other target groups on measures of the Programme.

Also, in this chapter the description of the evaluation process can be found, including: description of the project terms of reference for the elaboration of the SAPARD Programme Ex post Evaluation of the (contract objectives and activities); scope, objectives and evaluation stages. Finally, the chapter presents key information on the already implemented SAPARD Programme evaluations, namely: The Ex ante Evaluation and the Interim Evaluation (with the corresponding update).

### 4. Methodology

This chapter presents the main objectives of ex post Evaluation and the main evaluation methods used.

More detailed, this section describes the key terms of the evaluation, as they are explained in the Guidelines of the European Commission for the Evaluation of Rural Development Programmes supported by SAPARD (2001), and, in particular, in Annex II, the Glossary of evaluation terms, and presents the evaluation methodology proposed by the European Commission under the same Guidelines, the methodology based on specific and cross-cutting evaluation questions, criteria and indicators. Regarding the criteria for judgment / target levels, the document "Criteria and Indicators for each evaluation question" attached to the Final Report is referred to.

However, the chapter details the data source, data collection techniques (questionnaires, interviews, size and sample selection criteria), information on methods for the quantification of indicators to assess quality and validity of the data and identify errors / omissions, and techniques / methods to answer evaluation questions and obtain conclusions, focusing on the types of indicators used.

Finally, the chapter highlights the problems of methodology.

### 5. Programme description, measures and budget

This chapter provides basic information on the Programme structure, stakeholders and measures, including justification for the latter, the financial allocation and the main corresponding achievements.

More detailed, this section begins with a description of the main institutional stakeholders involved in implementing the Programme, including their role and responsibilities, and a brief description of staff employed / the main aspects of human resource management within the Programme management structures.

Finally, the chapter details the priorities and measures of the Programme, focusing attention on the logic intervention of each measure (needs analysis, respectively, the synthesis of allocated / used inputs and of achieved outputs).

Moreover, the chapter details the forecast budget for the entire period, expenditure and financial effectiveness and ends with a section on the lessons learned (including support tools in implementing the SAPARD Programme considered good practice, particularly regarding the agricultural credit, the successful experiences of the SAPARD Programme and the main conclusions).

### 6. Answer to the evaluation questions

This section includes detailed answers to specific and cross-evaluation questions under the EU Guidelines.

It is emphasized that the analysis and discussion of indicators under the criteria of justice and the targets referred to through the evaluation questions, and the analysis and discussion of quantitative and qualitative information from public statistics, studies / surveys or other sources have been integrated into the structure of the answers provided to evaluation questions.

### *7. Conclusions*

First, the conclusions address the consistency between the implemented measures and the followed objectives, the balance between the various actions of the Programme.

Finally, the Evaluator estimated the degree of achieving the specific objectives of the Programme and the targets set in the national and Community Strategy, through a correlation between the specific objectives of the Programme priorities, of the measures, quantified key indicators and results from the analysis performed.

Finally, the Evaluator has detailed the factors that contributed to the success or failure of the intervention for each Programme measure and for the entire Programme, taking into account the considerations put forward for each measure.

### 3. EVALUATION CONTEXT

#### 3.1. Brief description of Programme context

##### 3.1.1 Relevant national policies

The agricultural and rural development in Romania after 2000 is based on European policies in the field. Romania has steadily followed the advice and guidelines created by the EU to develop a legal and institutional framework compatible with the EU and to align to the goals of Lisbon and Gothenburg.

The year 2000 marked the beginning of the decade of integration, characterized by reforms designed to prepare Romania's admission into the European Union (the adoption of the *acquis communautaire*), the status of market economy and to support commercial farms. To do this, various forms of support were given to improve the technical equipment of farms, to support production of goods and procurement of inputs.

The National Plan for Agriculture and Rural Development, part of the National Development Plan 2000-2002, prepared by the National Agency for Regional Development in accordance with Government Decision no. 749/1999, is the most important document, which contributed to the implementation of the *acquis communautaire* during the pre-accession period and is in accordance with the: Council Regulation (EC) 1268/1999 on the Community support for pre-accession measures for agriculture and rural development in candidate countries of Central and Eastern Europe, Regulation (EC) no. 2579/1999 laying down detailed rules for implementing Regulation (EC) 1268/1999. The program classifies Romania's priorities for sustainable development of rural areas in four priority axes:

- Priority 1: Improving market access and competitiveness of processed agricultural products;
- Priority 2: Improving infrastructures for rural development and agriculture;
- Priority 3: Developing the rural economy;
- Priority 4: Human resources development.

The overall objectives of the National Plan for Agriculture and Rural Development (NPARD) are:

- to contribute to Romania's accession to the European Union;
- to allow the Romanian agriculture to strengthen in order to cope with competitive pressures on the Community market;
- to improve the living conditions of rural businesses.

The objectives were supported by 10 selected support measures.

Also, between 2005 and 2006 direct support was given to producers, through grants and subsidies in order to increase the quantity and quality of agricultural production and a legal framework was established for the implementation way, the specific conditions and eligibility criteria for application of direct payment plans and for direct complementary national payments in the plant sector.

Since 2006, to strengthen governance strategies and improve their agricultural policies, the CDI Sectoral Plan of MARD taking place in 2006-2010 was introduced in the national agricultural research.

The Common Agricultural Policy focuses its resources from the direct subsidies granted to agriculture (Pillar I of the CAP) to the integrated development of rural economy and to protect the environment (Pillar II of the CAP).

2007, the year of Romania's accession to the European Union, marked a new era in the agricultural economy and rural development of our country. During this period payments began through the single area payment plan and of the complementary national direct payments for crops and animals. The direct payment systems introduced have changed the pattern of previous grants, have introduced a transparent administration and control and have led the accountability of those who work the land and raise animals without the requirements of sustainable resource management.

In this context, the Paying and Intervention Agency for Agriculture (PIAA), was established operating under the Ministry of Agriculture, Forests and Rural Development, under Law 1 / 2004 as amended and supplemented. The PIAA runs European funds to implement support measures financed from the European Agricultural Guarantee Fund (EAGF). Grants are awarded in the form of direct payments per hectare managed by the Integrated Administration and Control System (IACS) and the market measures for the implementation of trade arrangements under the CAP.

To harmonize national legislation with the Community legislation as regards agriculture and rural development in the period 2000-2009, a series of regulations were developed and adopted.

A significant part of these laws relate to creating the institutional framework for the coordination, implementation and management of the SAPARD Programme, the annual financing agreements ratification and the approval of data sheets of various measures (GEO no. 142/2000, Law no. 317/2001, Law no. 416/2002, GEO no. 26/2003, GO no. 79/2003, Law no. 496/2003, GD no. 153/2004, Law no. 1 / 2004, Law no. 530/2004, GD 497/2004, GD no. 1179/2004, GD no. 2001/2004, MAFRD Order no. 301/2004, MAFRD Order no. 409/2004, Order no. 641/2004, Law no. 258/2005, Law no. 265/2005, GEO no. 103/2005, GD no. 668/2005, MAFRD Order no. 242/2005, Law no. 25/2006, Law no. 283/2006, GD no. 759/2006, GO no. 12/2006, GO no. 13/2006, Law no. 66/2007, GD no. 177/2007, GD no. 725/2007, EO no. 213/2008, EO no. 65/2008, GO no. 20/2008).

Another law package was created to develop the support system for accessing the SAPARD Programme and stimulate investments in agriculture by providing from the state budget public co-financing grants, internal credit guarantee, risk taking by guarantee funds and other financial measures to ensure and stimulate the absorption of funds allocated under the SAPARD Programme (GD no. 711/2004, GD no. 893/2004, GD no. 1251/2004, GEO no. 46/2005, Law no. 218/2005, Law no. 231/2005, GD no. 876/2005, GD no. 934/2005, MAFRD Order no. 979/2005, Order no. 100/2006, GEO no. 59/2006, GEO no. 67/2006, GO no. 10/2006, GEO no. 120/2007, GD no. 142/2007, GO no. 31/2007, GD no. 688/2008).

Three laws were developed on the establishment and operation of the recognition of producer groups for marketing agricultural, forestry and fishery products (Law no. 277/2004, GO no. 37/2005, Law no. 338/2005) and a law on the support of the State for the rural youth (Law no. 435/25.10.2004).

A legislative act was created to define and characterize the countryside (The Common Order of the MAFRD and the MI no. 143/2005), two for the mountain areas (Mountain Law no. 347/14.07.2004, with subsequent amendments and supplements and GD no. 1779 / 2004 on the development of the strategy for sustainable development of mountain areas) and the villages affected by floods in the period April to September 2005 were declared disaster areas by GD 1512/2005.

Two laws refer to the import and export of agricultural products (Law no. 299/2005 and Law no. 300/2005).

For stimulating land merging, Law no. 245/2005 was adopted on property and justice reform and some accompanying measures to establish life annuity, contributing to agricultural land and farm concentration.

### 3.1.2 Social and economic need that motivated the support granted

The evaluation of the intervention logics refers to the determination of the relevance of the priority objectives in relation to the strengths and weaknesses identified in the SWOT analysis and of the consistency of the priority, strategic and general objectives and the objectives set at different levels of scheduling (NPARD, SAPARD Programme).<sup>2</sup>

The conclusions and recommendations of ex-ante and interim Evaluations, of information contained in the Final Report on the implementation of the SAPARD Programme and of the examination of socio-economic changes in Romania since 2000, by the help of national statistics.

### Relevance and timeliness of SAPARD strategy

The SAPARD Programme in Romania is a tool from a range of tools used by the state to support and guide agricultural production. In the Intermediate Evaluation Report the Evaluator considers in a preliminary way the relative contribution of SAPARD and the synergy between SAPARD and other instruments. While the SAPARD Programme is essentially a national development programme which aims to adapt agriculture to the single market, the diversity of geography, environment and socio-economic conditions of Romania creates a significant degree of territorial variation in the nature and level of development needs.

The Evaluator concludes that the measures foreseen under the SAPARD Programme are relevant and show a high degree of adequacy to the needs of rural development. The Ex-post Evaluation clarifies the hierarchy of objectives and confirms the coherence of the objectives of implemented measures to the existing needs. Also, the Evaluator concludes that strategic orientation is more important than the orientation indicated by the large number of measures and the balance between measures is not appropriate because 88.14% of the available resources have focused on the implementation of only three measures (measures 1.1, 2.1 and 3.1).<sup>3</sup>

A large number of quantified indicators for impacts, results and outputs was established. The funding of a large number of projects was anticipated, but achievements show a low efficiency of the programme and shortcomings in the implementation methodology.

According to the estimates on the creation of new jobs, the Evaluator concludes that the implementation of the Programme has resulted in the creation of about 72,300 jobs. This represents a total cost of approximately 18.578 Euro per job.

Table: Implementation of the SAPARD measures<sup>4</sup>

	No. of implemented projects	Degree of project number target achievement	Paid amounts 31.12.2009 (Euro)	Degree of consumption	Average cost per project (Euro)
Measure 1.1	459	24.16%	351,024,392.26	92.49%	764,759.02
Measure 1.2	20	100.00%	29,355,166.21	77.68%	1,467,758.31
Measure 2.1	847	121.00%	600,300,647.49	88.52%	708,737.48

<sup>2</sup> Initial report of ex-post activity, p. 14

<sup>3</sup> Final Report on the implementation of the SAPARD Programme, p. 159

<sup>4</sup> Final Report on the implementation of the SAPARD Programme, p. 159, p. 169

Measure 3.1	1,935	17.59%	236,839,730.49	91.42%	122,397.79
Measure 3.2	3	0.43%	57,200.22	5.72%	19,066.74
Measure 3.3	1	0.17%	190,681.04	10.31%	190,681.04
Measure 3.4	1,058	15%	68,196,079.21	80.97%	64,457.54
Measure 3.5	113	4.71%	57,599,443.58	77.37%	509,729.59
Measure 4.1	5	1.64%	3,028,493.44	76.69%	605,698.69
Measure 4.2	10	100.00%	1,424,016.47	98.79%	142,401.65
Total	4,451	18.07%	1,348,015,850.40	88.60%	302,856.85

Many result indicators were defined by predetermined levels of objectives, but there was no analysis on base of the set objectives. This resulted in Romania's commitment to achieve objectives that cannot be achieved.

In relation to the external coherence of the Programme, the Evaluation shows that the SAPARD Programme was only part of what should be a coordinated set of interventions, from the macroeconomic policies to aspects of legislation, from the provision of health and education services to the economic revival and environment protection.

### **Validity of SWOT analysis**

The SWOT analysis is the basis of development for the strategy contained in the NPARD, thus within the ex-ante and interim Evaluation this analysis was verified, including the adequacy of opportunities and risks identified. The ex-post Evaluation verifies whether this analysis is still valid. Both the Ex-ante, and the Interim Evaluation of the SAPARD Programme consider that SWOT analysis hasn't been used to its maximum level of effectiveness to demonstrate the relevance of the SAPARD priority measures and of the actions addressed to development needs. Following comments received on the previous preliminary reports and following the ex-ante Evaluation, the SWOT analysis was reviewed. Regarding the natural resources, the biodiversity existing in Romania and the size of the forest sector are considered as strengths, but the environment conditions listed in this section appear to be inadequate.

Also, there is little information about the EIA<sup>5</sup>, and action forces that contribute to sustainable development do not arise from the SWOT analysis<sup>6</sup>, nor do the hierarchy of strengths and weaknesses, recommended in the ex-ante Evaluation, which facilitates strategy formulation in a transparent manner choosing the most urgent and important issues to be resolved.<sup>7</sup>

In the SWOT analysis, the conclusions and recommendations (for maintaining major gaps and priorities to be addressed and / or introducing the necessary changes, for linking objectives with the identified needs and for the factors that facilitate economic and social cohesion, environmental protection and equal opportunities for men and women) made in the interim Evaluation are also valid today.<sup>8</sup>

<sup>5</sup> Environmental Impact Evaluation

<sup>6</sup> Source: Mid-Term Review Update, p. 161

<sup>7</sup> Source: Ex-ante Evaluation, p. 12

<sup>8</sup> Interim Evaluation, p. 134

The objectives set reflect the weaknesses and strengths listed in the SWOT analysis and the links between measure records and the hierarchy of Programme objectives is largely satisfactory.<sup>9</sup>

### **Macroeconomic context**

The 2000-2006 NPARD presents a detailed diagnosis of the situation in rural Romania, covering social, economic and environmental aspects of rural development and in the interim Evaluation the developments and trends in the economic and social period have been analyzed, with emphasis on agriculture and rural areas, in order to identify the changes occurred and their causes. However, the final report on the implementation of SAPARD Programme the changes in the general conditions of Romania are presented and their impact on the implementation of the SAPARD Programme. In the ex-post Evaluation these trends are reviewed as follows.

The main demographic trends in the Romanian rural population are population decline and aging, combined with a selective feminization (the share of women being higher than the share of men in age groups over 40 years and lower in age groups under 40 years). The phenomenon of migration (from rural to urban areas or abroad) is more intense in people under 35, the main reasons being the low income, the low number of local jobs and the unsatisfactory living conditions. On 1 July 2010, Romania's population numbered 21.43 million inhabitants (4.47% less than on July 1, 2000), the rural population representing 44.9% of the population (9,632,563 people). The rural population decreased to a more pronounced extent (5.5%) than the urban population (3.6%)<sup>10</sup>. The rate of the decline of rural population has been caused by the negative demographic structure of rural areas, by the rural-urban migration and by the emigration phenomenon. The number of people left in order to reside in rural areas was built in the period 2000-2009 (32%).<sup>11</sup> The number of young adult women in rural areas experienced a significant decline (from 2000 to 2010 the decrease of the number of women aged 15-34 years in rural areas was 10.09%)<sup>12</sup> and this was reflected in fewer marriages in rural areas (by 15.5% during 2000-2009)<sup>13</sup> and in the birth rate in rural areas (12.3 per 1000 live births in 2000 and only 10.4 in 2009)<sup>14</sup>.

Between 2000-2008 the Romanian economy has recorded a high economic growth, disinflation and lower unemployment confirming the progress towards a sustainable economic development. Following the outbreak of the global financial crisis, in 2008-2010 the favourable trends have changed. The effects of the crisis were felt both in the economy, in general, and on target sectors and by the SAPARD Programme beneficiaries, so the long-term impact of the Programme has been strongly diminished.

The average annual inflation rate recorded a significant decline, from 45.7% in 2000 to 4.84% in 2007. The influences of the crisis were felt in this area too; in 2008 the inflation rate was 7.85%, 5.59% in 2009 and 6.09% in 2010.

The gross domestic product (GDP) in current prices grew continuously between 2000-2008, from 80,984.6 million lei in 2000, reaching a value of 514,654.0 million lei in 2008<sup>15</sup>. But if we take into account inflation rate<sup>16</sup> during this period, we get a lower real GDP growth, of 127.7%. According to Eurostat data<sup>17</sup>, Romania's GDP increased from 45,356.8 million Euro in 2001 to 139,765.4 million Euro in 2008, followed by a downward trend (117,457.4 million in 2009, a decrease of 16%

<sup>9</sup> Source: Ex-ante Evaluation, p. 36

<sup>10</sup> INSSE TEMPO\_POP102B\_7\_7\_2011

<sup>11</sup> INSSE TEMPO\_POP302B\_7\_7\_2011

<sup>12</sup> INSSE TEMPO\_POP102B\_8\_7\_2011 1

<sup>13</sup> INSSE TEMPO\_POP210A\_7\_7\_2011

<sup>14</sup> INSSE TEMPO\_POP202A\_7\_7\_2011

<sup>15</sup> Romanian Statistical Yearbook, 2009

<sup>16</sup> <https://statistici.insse.ro/jpc/>

<sup>17</sup>

<http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?sessionId=9ea7d07e30e7a7cc52a67b194f4ba092b806387765db.e34MbxSahmMa40LbNiMbxMaN4Te0?tab=table&plugin=1&pcode=tec00001&language=en>

compared to 2008) and 121,941.2 million Euro in 2010 (4% more than in 2009, but 13% less than in 2008).

The gross value added of the *Agriculture, hunting and forestry* sector (recalculated taking into account the inflation rate) fluctuated between 2000-2008, the annual growth ranging from -28.25% in 2004-2005 to 33.10% between 2007-2008<sup>18</sup>. The GVA's share achieved in the field of 'Agriculture, hunting and fishing decreased from 12.1% to 6.7% between 2000-2010 the highest value being reached in 2004 (14.1%)<sup>19</sup>.

The total value of agricultural production (recalculated taking into account inflation rate) had a fluctuating trend, both in the plant and in the animal sector, the two sectors not being synchronized. Agricultural services have followed a downward trend, except between 2006-2007.

Table: Change of the value of agricultural sector production, by category, as compared to the previous year

	2002	2003	2004	2005	2006	2007	2008	2009
<b>Total</b>	-7.4%	11.0%	22.3%	-22.8%	2.1%	-10.2%	30.2%	-15.3%
<b>Plant production</b>	-15.6%	24.3%	31.4%	-32.7%	5.1%	-12.5%	47.7%	-26.0%
<b>Animal production</b>	6.7%	-6.8%	6.5%	-0.8%	-2.7%	-7.4%	4.1%	8.1%
<b>Agricultural services</b>	-6.5%	-10.0%	-6.6%	-7.6%	12.6%	37.9%	-3.1%	-0.6%

Source: INSSE TEMPO\_AGR206A\_7\_7\_2011, <https://statistici.insse.ro/ipc/>

So, we see that the performance of the agricultural sector (especially the vegetable sector) still depends to a greater extent by weather and floods, as compared to the general state of the economy. In this situation the impact of the SAPARD Programme on the performance of the entire sector cannot be appreciated.

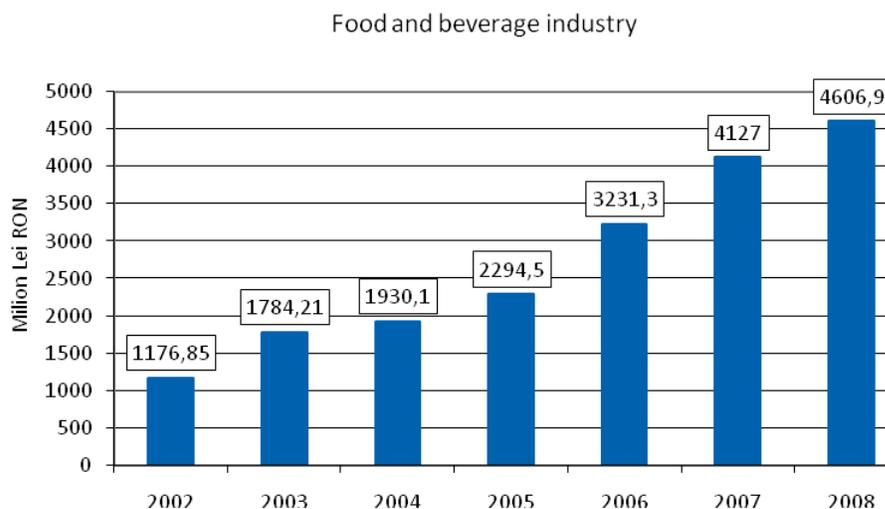
As the following figure shows, the national investments increased in the food and beverage industry between 2002-2008.

<sup>18</sup> Anuarul Statistic al României 2009, <https://statistici.insse.ro/ipc/>

<sup>19</sup>

<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tec00003&plugin=1>

Figure: Investments in the food and beverage industry in Romania



Source: INSE TEMPO\_INV101D\_28\_6\_2011

In the period 2000-2007 the unemployment rate fell from 10.5% to 4%, but the economic crisis reversed this positive development. Even though the average value of registered unemployment rose only slightly in 2008, reaching 4.4%, in 2009 it has already reached 7.8%, to decrease to 6.9% in 2010<sup>20</sup>.

The decrease of ILO unemployment rate is observed between 2002-2008, but the evolution was more favourable in urban than in rural areas, which shows that the positive effects of growth of the period were felt in a lesser extent in rural areas.

Table: Evolution of ILO unemployment rate on averages, 2002-2009

	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008	Year 2009
<b>Total</b>	8.4	7.0	8	7.2	7.3	6.4	5.8	6.9
<b>Urban</b>	11.2	9.5	9.5	8.8	8.6	7.7	6.8	8.1
<b>Rural</b>	5.4	4.3	6.2	5.2	5.6	4.9	4.6	5.4

Source: INSSE TEMPO\_AMG157B\_8\_7\_2011

According to the provisional results of the General Agricultural Census 2010, the number of farms was 3856 thousand, 14.0% lower than that registered in the General Agricultural Census 2002. The number of unincorporated farms was 3825 thousand, 14.3% lower as compared to 2002 and the number of legal personality units was of 31,000 units, 34.8% higher as compared to 2002. Reducing the number of farms was mainly due to the consolidation of unincorporated farms. The used agricultural area of farms was lower by 4.5% in 2010, compared to that of the General Agricultural Census 2002.

Table: Comparison of the used agricultural area, on the main categories of use in 2002 and 2010

<sup>20</sup>

INSSE TEMPO\_SOM103A\_8\_7\_2011 1

Indicator	MU	Total agricultural holdings		Agricultural holdings without legal status		Agricultural holdings legally constituted	
		2002	2010	2002	2010	2002	2010
Number of agricultural holdings	thou.	4485	3856	4462	3825	23	31
Utilised Agricultural Land (UAL)	thou. he	13931	13298	7709	7445	6222	5853
- arable land	thou. he	8774	8305	5437	4721	3337	3584
- pastures and meadows	thou. he	4644	4494	1878	2306	2766	2188
- permanent cultures	thou. he	344	317	225	236	119	81
- family gardens	thou. he	169	182	169	182	-	-
UAL / agricultural holding	ha	3.11	3.45	1.73	1.95	274.43	190.84

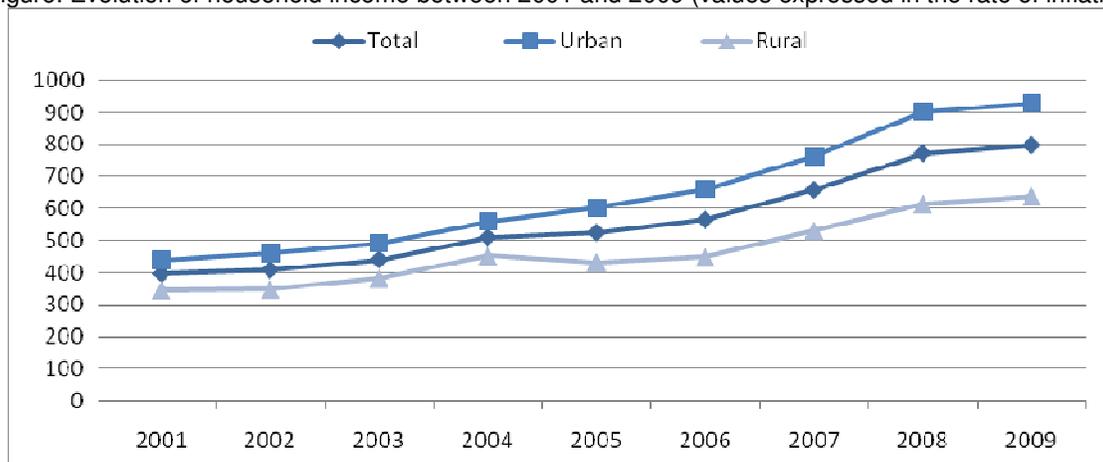
Source: [http://www.insse.ro/cms/files/statistici/comunicate/com\\_anuale/RGA2010\\_data%20provizorii.pdf](http://www.insse.ro/cms/files/statistici/comunicate/com_anuale/RGA2010_data%20provizorii.pdf)

The used agricultural area returning on average in 2010 on a farm was 3.45 ha, compared to 3.11 in 2002. The used agricultural area returning on average per unincorporated farm was 1.95 ha (1.73 ha compared to 2002) and 190.84 ha on a farm with legal personality (compared with 274.43 ha in 2002). On the main categories of use of used agricultural area 2.15 ha of arable land have returned on average per farm (compared to 1.96 ha in 2002) and to 1.17 ha of pastures and hayfields (compared with 1.04 ha in 2002).<sup>21</sup>

The number of cattle and pigs decreased by 30.9%, and 34.8%, respectively, compared to those recorded in the General Agricultural Census 2002, and the number of sheep and goats increased by 15.9%, and 66.3%, respectively, of the registered General Agricultural Census 2002.<sup>22</sup>

The workload in farms decreased by 21.7% between 2002-2010, and the volume of work performed within the unincorporated agricultural holdings, expressed in annual work units (AWU), was of 1608 thousand, 38.2% lower than that recorded in the General Agricultural Census 2002.<sup>23</sup>

Figure: Evolution of household income between 2001 and 2009 (values expressed in the rate of inflation)



Source: INSSE TEMPO\_BUF105I, <https://statistici.insse.ro/ipc/>

21

[http://www.insse.ro/cms/files/statistici/comunicate/com\\_anuale/RGA2010\\_data%20provizorii.pdf](http://www.insse.ro/cms/files/statistici/comunicate/com_anuale/RGA2010_data%20provizorii.pdf)

22

[http://www.insse.ro/cms/files/statistici/comunicate/com\\_anuale/RGA2010\\_data%20provizorii.pdf](http://www.insse.ro/cms/files/statistici/comunicate/com_anuale/RGA2010_data%20provizorii.pdf)

23

[http://www.insse.ro/cms/files/statistici/comunicate/com\\_anuale/RGA2010\\_data%20provizorii.pdf](http://www.insse.ro/cms/files/statistici/comunicate/com_anuale/RGA2010_data%20provizorii.pdf)

Average monthly income<sup>24</sup> of rural population have followed an upward trend between 2001-2009, the increase being stronger between 2006-2008. However, the average income of rural population are lower than the income of urban population, the difference between the two increasing in the studied period.

Table: Total average monthly income per household on major social categories, 2009

Major social categories	Total (Ron)	Urban (Ron)	Rural (Ron)
Total	2315.99	2619.57	1920.87
Employees	3105.05	3254.69	2645.11
Self-employed in non-agricultural activities	1899.42	2052.29	1790.31
Farmers	1823.04	2534.35	1771.94
Unemployed	1609.24	1676.08	1452.85
Pensioners	1871.67	2012.87	1731.25

Source: INSSE TEMPO\_BUF105I

The SAPARD Programme, along with other funding programmes, had a positive impact on rural infrastructure development. In the period 2000-2009 the length of county and local (of communes) public roads increased by 45.9% upgraded (compared with an increase of only 13% of the length of national roads upgraded), and the length of simple distribution network of drinking water in rural areas increased by 115.2% (compared to 18.7% in urban areas).

### 3.1.3 Identification of beneficiaries and of other target groups

Given the four priorities of the NPARD 2000-2006, the potential beneficiaries / target groups of the SAPARD Programme Romania are identified as follows:

#### Priority 1: Improving market access and competitiveness of processed agricultural products

This priority was addressed to:

(Measure 1.1)

- Companies (Law no. 31/1990 concerning companies and Law no. 15/1990 concerning the reorganisation of state economic units as autonomous administrations and companies, with subsequent amendments and supplements),
- Consumer Cooperatives (Law no. 109/1996 on the organisation and functioning of consumer cooperatives and credit cooperatives: copy of the Certificate of registration with the Trade Register. Final judgment based on the act of incorporation and own status)
- Producer associations with legal personality (Law 338/2005 approving Government Ordinance no. 37/2005 on the recognition and operation of producer groups, for the marketing of agricultural and forestry products
- In the wine sector, to the associations, the producer groups and private companies that process only noble grape varieties (Measure 1.2)

<sup>24</sup> Total income means all money income, regardless of its source (excluding loans and loans taken, withdrawals of deposits to the CEC, banks, etc.) and the value of income in kind (human and feed consumption of food and nonfood of own resources household, i.e. goods and services available free of charge or discounted from public and private businesses) that is not considered salary in kind (INSSE Tempo)

- The laboratories belonging to public institutions authorized to carry out veterinary, plant health activities and food quality control.

### Priority 2: Improving infrastructures for rural development and agriculture

This priority was addressed to:

(Measure 2.1)

- Local councils of Romanian rural localities (according to Local Public Administration Law no. 251/2001 with subsequent amendments and completions)
- Associations, with legal status, between the Local Councils of Romanian rural localities (according to the Local Public Administration Law no. 251/2001 with subsequent amendments and completions)
- National Administration of Land Improvements (Law no. 138/2004).

### Priority 3: Development of rural economy

This priority was addressed to:

(Measure 3.1)

- Individual farmers - freelancers (AP) (Law 300/2004 regarding the authorisation of individuals and family associations in carrying out economic activities independently)
- Agricultural Family Associations (AFA) (Law 300/2004 regarding the authorisation of individuals and family associations in carrying out economic activities independently)
- Companies (Law 36/ 1991)
- Companies with private capital at least equal to or greater than 75% (SNC, SCS, SA, SCA, LLC) (Law 31/1990)
- Companies with private capital at least equal to or greater than 75% (Law 15/1990)
- Producers' groups (PG) (Ordinance no. 37/2005 approved by Law no. 338/2005)

(Measure 3.2)

- Groups of farmers / forestry producers/ fishery producers, legally incorporated and recognized by the MARD after January 1, 2004, qualifying for aid;

(Measure 3.3)

- Individual farmers - freelancers (AP) (Law 300/2004 regarding the authorisation of individuals and family associations in carrying out economic activities independently)
- Agricultural Family Associations (AFA) (Law 300/2004 regarding the authorisation of individuals and family associations in carrying out economic activities independently)
- Agricultural Societies / agricultural associations without legal personality (Law no. 36/1991)
- Producer groups with legal personality
- Private companies with private capital, at most equal / greater than 75% (Law 15/1990 and Law 31/1990)]

(Measure 3.4)

- Individual farmers - freelancers (AP) (GD 661/2001, Law 300/2004)
- Individual owners of forest - freelancers (AP) (Land Law 18/1991, Law 1 / 2000, for restoring ownership of farmland and forest, Law 300/2004)
- Freelancers - AP (Law 300/2004)
- Registered family associations and producer groups (FA and PG) (Law 300/2004 Ordinance 37/2005 approved by Law nr.338/2005)

- Agricultural Societies (Law no. 36/1991)
- Companies (Law no. 31/1990 and Law no. 15/1990)
- Consumer Cooperatives
- Craft Cooperatives

(Measure 3.5)

- Individuals - only for afforestation I (Law 18/1991 and Law 1 / 2000)
- Forest individual owners - freelancers PIP (Law 21/1924), PIP (Law 18/1991), PIP (Law 1 / 2000)
- Freelancers – AP (Law 300/2004)
- Units of worship (Decree 233/1949) and education establishments (Law 84/1995) - Only for afforestation
- Family associations (Law 300/2004)
- Types of associations (Law 21/1924 and Law 1/2000)
- Local councils of rural localities or municipalities and their associations

Priority 4: Development of human resources

The beneficiary of Measures 4.1 and 4.2 was the Ministry of Agriculture and Rural Development.

The target groups of Measure 4.1 were all the potential beneficiaries of the SAPARD Programme, with emphasis on promoting the participation of young people and women.

The target groups of Measure 4.2 were multiple and included:

- Staff of the MA / PARDF involved in the Programme implementation
- Potential beneficiaries of the Programme
- Rural population in general

**3.2. Description of the evaluation process**

The Ex post Evaluation analyses the impact of the Programme, in relation to the needs that it sought to satisfy. This evaluation also determines whether the positive effects of the Programme are sustainable over time and after Programme implementation.

More detailed, the general objective of the Evaluation is the analysis of the socio-economic impact of the SAPARD Programme on the sustainable and balanced development of the Romanian rural area and on the Community priorities, and the evaluation of the effectiveness, efficiency and relevance of the Programme, taking into account at the same time the two major objectives of the SAPARD Programme, as defined in Article 1 (2) of (EC) Regulation no. 1268/1999, to ensure increased accountability and transparency of Programme implementation, with reference to the responsible authorities, to the stakeholders involved in the management, coordination and promotion of the Programme and target audience, and create the prerequisites for improving the implementation and management of future rural development programs to be carried out in Romania.

The specific objectives of the ex-post evaluation are:

- Analysis of consistency with the ex-ante evaluation, improving the previous evaluation, ensuring the necessary corrections (of the evaluation) and eliminate confusion and gaps of information, aiming at a transparent presentation of the current implementation and its effects;
- Provide answers to the common and specific evaluation questions addressed;
- Identification of relevance, effectiveness, efficiency and sustainability of the implemented SAPARD measures;
- Evaluation of the Programme quality and relevance and of its implementation, the need and consistency of the objectives of the NPARD;
- Evaluation of the efficiency of the implementation of the SAPARD Programme in terms of the mechanisms used and of the legal and administrative structures involved in implementation;
- Identification of the lessons learned and the factors that contributed to the success or failure of the intervention;
- Development of relevant conclusions on programme implementation.

To fulfil these objectives, the evaluation included two defining elements:

- a quantitative evaluation based on the statistical processing of data with the aggregation of used statistical indicators.
- a qualitative evaluation based on a set of objective tools for measuring the quality indicators of the Programme, tools validated by the experience and calibrated

In essence the four methodological phases of an evaluation were completed, namely 1) structuring, 2) observation, 3) analysis and 4) evaluation, presented below.

Also, the activities planned for the objectives of ex post Evaluation, articulated according to the mentioned methodology phases are presented in the following box:

#### **Activities of Ex-post Evaluation of the SAPARD Programme**

##### Stage 1 - Structuring

Activity 1.1 – Making a synthetic and well structured description of the SAPARD Programme, insisting on the features of the intervention, analysis of the distribution of allocated resources, identification of the potential beneficiaries of the programme, analysis of the institutional and administrative system created and of the relations between the bodies involved, analysis of the process and of the implementation flow of the programme, and a brief description of each measure / types of measures submitted for evaluation.

Activity 1.2 – Establishing the logic intervention for each measure / typology of measures submitted for evaluation;

Activity 1.3 - Review and adaptation of specific evaluation questions based on the analysis of the specificity of each measure / types of measures of the Programme;

Activity 1.4 - Defining key terms in the evaluation questions, developing evaluation criteria to enable answer to each question, and the level of targets;

Activity 1.5 - Establishing the methodology to answer common and specific evaluation questions;

Activity 1.6 - Identifying other relevant data to perform the evaluation and the need to collect data and information that could not be provided by the Managing Authority.

Stage 2 - Observation

Activity 2.1 – Creating the tools necessary for the qualitative analysis, namely the questionnaires, the guidelines for interview performance, the guidelines for case studies, etc. Creating tools for the quantitative analysis: building series of statistical data by interrogating the available databases, building necessary extrapolations to establish positive and negative correlations between the various statistic indicators in order to use a double source to draw conclusions by aggregating statistical indicators;

Activity 2.2 - Collecting and processing data and qualitative information necessary to answer the evaluation questions.

Stage 3 – Analysis

Activity 3.1 – Evaluating the progress registered in implementing the SAPARD Programme, based on the relationship between the identified results and targets set at the schedule time;

Activity 3.2 – Set of preliminary answers to the specific and common evaluation questions;

Activity 3.3 - Setting the net impact that each measure has had in achieving the Programme objectives, quantitative multi-criteria analysis.

Stage 4 – Evaluation

Activity 4.1 - Review all answers to the common and specific evaluation questions based on the comments received from the Evaluation Steering Committee and present the final answers to the evaluation questions;

Activity 4.2 - Based on the answers to specific evaluation questions and the results of previous activities, evaluation of each measure in terms of its share in the Programme;

Activity 4.3 - Assess the effectiveness, efficiency, relevance and sustainability of the Programme and the degree to which the Programme contributed to the strategic objectives established at a national and Community level, presenting the limits of the validity of the performed evaluation;

Activity 4.4 - Based on the analysis and on the evaluation carried out, drawing the conclusions that we reached in relation to: - Consistency of the measures applied and the followed objectives, the balance between the various measures / types of measures of the Programme - Degree of achievement of the Programme specific objectives, and of the national and Community strategic objectives - the extent to which administrative and institutional system was adequate to ensure efficient and effective implementation of the Programme - the factors that determined the success or failure of Programme implementation;

Activity 4.5 – Identifying and present the sum of positive feedback sites and of best practices that can be used to improve performance in the implementation of future rural development programmes;

Activity 4.6 - Developing a summary of the final report of the ex-post evaluation of the SAPARD Programme in Romanian and English, including a summary of the work performed, of the methods used for evaluation, and a summary of the programme, of the evaluation results and the most important conclusions and recommendations;

Activity 4.7 - Developing a PowerPoint presentation of the report on ex-post evaluation of the SAPARD Programme in Romanian and English;

Activity 4.8 – Completing the Evaluation Final Report.

The Service Contract for the Elaboration of the Ex post Evaluation of the SAPARD Programme in Romania during 2000-2008, with a period of implementation of 12 months, was concluded between the Managing Authority and the Consortium composed of the following companies: Ecosfera V.I.C. and Agriculture Capital & Engineering, on September 02, 2010 (extended to 15 months, by addendum no. 61 441 of 18.07.2011). Within contract implementation, the following Reports were presented, as required by the terms of reference:

- 1) Initial activity report, submitted on 19.10.2010, revised and submitted again by the Evaluator following MA observations it was approved by the MA on 07.12.2010.

The Initial Activity Report was prepared before the start of the project, becoming the main work tool during its implementation. The Initial Activity Report was prepared in accordance with the directions set out in the open meeting and included the following points:

- overview of the project;
- contract analysis and present situation
- planning contract activities
- Accurate presentation of the involvement of non-key experts proposed

The report was submitted in three copies in Romanian and in electronic format.

- 2) Interim I Activity Report, submitted on 24.01.2011, revised and submitted again by the Evaluator following MA observations was approved by the MA on 15.04.2011.
- 3) Interim II Activity Report, submitted on 04.03.2011, revised and submitted again by the Evaluator following MA observations was approved by the MA on 06.07.2011.
- 4) Interim III Activity Report, submitted on 30.06.2011, revised and submitted again by the Evaluator following MA observations was approved by the MA on 05.08.2011.

Their content has been structured on the following elements:

- Objectives of the reporting period;
- Work organisation, problems encountered and measures taken to remedy them;
- The updated project progress chart including a detailed projection of activities during the reporting period and of those planned for the next period;
- Description of activities and results in accordance with TOR's requirements and of the Plan of Work Operations.

Each Interim Report was submitted to the Authority of Implementation (MARD) within 10 days after completion of activities for each stage and the period of the contract.

The reports were submitted in three copies in Romanian and in electronic version.

### **3.2.1 Stage 1 - Structuring**

The structuring stage refers to the acquisition by the Evaluators of a clear understanding of the program, of its measures and intervention logic, of the evaluation questions and of evaluation tasks. The Ex-post evaluation reviews all these in terms of the continuity, validity strategy and logic of the intervention as determined by the ex-ante and interim Evaluations and based on all these objectives it evaluates the objectives set.

### **3.2.2 Stage 2 - Observation**

In the observation stage the available and relevant information have been identified, evaluated in terms of their importance and aggregated. Identify the relevant sources, the instruments and methods of gathering information, determine the main results and data on the resulted impact are the main elements that preceded the analysis stage of collected data. In this stage, all the available information has been identified, selecting the ones relevant to the achievement of the objectives of

the project. However, the validity and usefulness of the quantitative and qualitative data that were to be used has been mentioned. Since the validity of statistical data cannot be specified before the stage of analysis and aggregation of statistical indicators, not all quantitative data could be selected at this stage, in order not to introduce statistical errors.

### **3.2.3 Stage 3 - Analysis**

During this phase a thorough analysis of all relevant quantitative or qualitative information was done in order to identify the effects and impact of each measure / types of measures and of the Programme as a whole by reference to the objectives and targets established at the time of scheduling.

The analysis involved the processing of the previously selected relevant qualitative and quantitative information, plus the statistical analysis of the quantitative indicators being in a positive or negative correlation with each other and which could not be selected as relevant in the preceding stage, in order not to introduce statistical errors to evaluate the impact according to the objectives of the Programme and to determine on the whole the resulted progress.

Using methods of analysis described below we quantified the impact and corresponding indicators, both from the qualitative and from the quantitative point of view. We determined, therefore, through statistical methods and tools qualitatively validated and calibrated, the efficiency, the effectiveness, the degree of targeting, the relevance and sustainability of the Programme.

### **3.2.4 Stage 4 - Evaluation**

In this stage, we made a qualitative and quantitative evaluation of the answers to the general and specific evaluation questions and we draw conclusions on the efficiency, effectiveness, relevance and sustainability of interventions targeting both the measures and the Programme, entirely. We also assessed the balance of measures within it, its contribution to national and Community strategies and the determinants of success or failure of the Programme or of elements within it.

## **3.3. Summary of evaluations related to the Programme**

The general framework that defines the types of evaluation to be conducted in the various stages of the scheduling cycle, namely the ex-ante Evaluation, interim Evaluation and ex-post Evaluation is provided by (EC) Regulation no. 1268/1999, Article 5 (1) and by (EC) Regulation no. 1260/1999. Therefore, before implementing the ex post Evaluation, the SAPARD Programme was subject to the following evaluation:

### **3.3.1 Ex-ante Evaluation**

As shown in the mid-term Evaluation Report of SAPARD implementation between 2000-2003 and in the interim Evaluation Report update on 2006, the ex ante Evaluation was a critical analysis of the SAPARD Programme, examining the objectives, the implementation plans and the expected results, intending to determine whether there are the most important interventions to best meet the relevant objectives of the policy. The goal of ex-ante Evaluation was to optimize the allocation of budgetary resources through operational programs and to improve the scheduling quality. It has also identified and assessed disparities, the development potential, the set objectives, the expected results, the coherence of the proposed strategies, the Community added value, the degree of integration of Community priorities, the results of the previous scheduling period and the quality of procedures for monitoring, financial evaluation and management.

### 3.3.2 Interim Evaluation

It analyzed to what extent the SAPARD Programme was implemented in the most efficient way, according to the initial scheduling and it determined whether the Programme is as relevant as in the scheduling stage, to meet the identified needs.

Initially, an interim Evaluation was developed and covered the period between 2000 and 2003.

The Service Contract for the Interim Evaluation of the SAPARD Programme in Romania was signed on May 13, 2003 between the Ministry of European Integration, as a Contracting Authority, and the company URS Corporation in the UK as a Contractor. The interim Evaluation was conducted in two stages, the first of which was performed by **URS Corporation**, while the completion of the final report was entrusted to **Kvistgaard Consult**, as a sub-contractor of URS Corporation.

The interim evaluation report of the SAPARD Programme was submitted to the Managing Authority on March 22, 2004. The final version of the Evaluation Report prepared under the observation and comment of the Managing Authority and members of the Steering Committee (SC) was submitted to the Managing Authority on March 31, 2004. On 27.04.2004, the SC approved the interim evaluation report on SAPARD Programme in Romania, and it was sent to the European Commission on May 17, 2004.

The updated review of the Interim Evaluation for the period 2000-2005 came in addition to the initial **Interim Evaluation** and service contract was concluded with **Agrotec SpA** (Italy) and signed on September 23, 2005.

On February 20, 2006 the Final Report of the mid-term evaluation of the SAPARD Programme 2000-2005 was submitted to the members of the Monitoring Committee, and on March 1<sup>st</sup>, 2006, following the update of the Report to include comments and observations of the SC members, it has been submitted to the Managing Authority. On May 5, 2006, the Managing Authority officially submitted, by letter no. 73133, the Report on Interim Evaluation of the SAPARD Programme in Romania, to the European Commission, together with the answer / position to the comments of the Evaluator.

## 4. METHODOLOGY

### 4.1. Presentation of the evaluation structure and of the evaluation methods used

"Article 5 (1) of Council Regulation no 1268/1999 provides that the SAPARD Programme (hereinafter referred to as the Programme) shall be subject to the ex-post Evaluation, to "verify success and effects in terms of prefixed objectives".

On the other hand, the SAPARD Programmes (EC Reg 2759/1999 laying down detailed rules for applying Council Regulation (EC) no. 1268/1999 on Community financial support intended for the pre-accession measures for agriculture and rural development in candidate countries in Central and Eastern Europe in the pre-accession period) states that the analysis and evaluation must be conducted in accordance with the procedures of the MAFA (Multi-Annual Financing Agreement).

In accordance with what was established in the Guidelines for the evaluation of rural development Programs supported by the SAPARD, the ex-post Evaluation activity is "central to the transparency of investment funds, especially for management Authorities and for the public. Ex-post Evaluation can also provide indications about the possible follow-up of the Programme, even as best practices."

The ex-post Evaluation of the Programme prefigures as a projected goal, to examine the effective use of available resources, and the efficiency and effectiveness of assistance, the impacts generated in this way and the report consistence with the ex ante Evaluation and issues findings relevant to the Programme. Also, elements are outlined that characterized the failure or success in achieving the implementation of activities planned, including their sustainability. In particular, the ex-post Evaluation takes into account the utility and sustainability of the results obtained through the assistance Programme.

When analyzing the impacts generated by the Programme, the Evaluator considers the dual dimension of aid, which refers to two general objectives:

- 1) contribution to the implementation of "*acquis communautaire*" for the Common Agricultural Policy and other related policies;
- 2) solving priorities and problems specific for the sustainable adaptation of the agricultural sector and rural areas of the candidate countries.

More specifically, the ex-post Evaluation focuses on a system of information on the Common Evaluation Questions, by revising previous answers given in other evaluation reports (interim evaluation update), and evaluates whether this information is still valid, updates and restores them in the current context, taking into account the changes that took place in the context of reference and the impacts generated.

The ex-post Evaluation activity has its evaluative criteria defined in the Guidelines<sup>25</sup>. The evaluation criteria cover a central role in supporting the effort of evaluation and of data collection (primary and secondary), and of performing their analysis. The definition of the term of "criterion" is presented in the following paragraph.

<sup>25</sup> DG-Agri, 2001, "Guidelines for the evaluation of Rural Development Programmes supported by SAPARD"

## 4.2. Description of Programme and Evaluation key terms

### 4.2.1. Description of SAPARD Programme key terms

The key terms of the Programme are found in Article 9 of EC Regulation no. 1260/1999, on the general provisions of Structural Funds and in the Guidelines for each measure of SAPARD Programme in Romania.

In particular, among those listed in that Regulation the following stand out:

#### MANAGING AUTHORITY

Any authority or public or private national, regional or local body designated by the Member State or by the Member State when it is itself carrying out this function, to manage assistance for the purposes of Regulation No. 1260/1999. If the Member State shall designate a Managing Authority other than itself, it will determine all the modalities of its relationship with the Managing authority and the latter with the Commission. If the Member State decides otherwise, the Managing Authority may be the same body as the paying authority for that assistance.

#### PAYING AUTHORITY

One or more authorities or national, regional or local bodies designated by the Member States for developing and submitting payment applications and for receiving payments from the Commission. The Member State shall determine all the modalities of its relationship with the paying authority and the latter with the Commission.

#### PRIORITY AXIS

Each of the strategic priorities adopted in a Community support or assistance framework; it is assigned a contribution from the Funds and other financial instruments and other relevant financial instruments and financial resources relevant of the Member State and a set of specific objectives.

#### FINAL BENEFICIARIES

Are the public or private bodies or companies responsible for commissioning operations. In the case of aid schemes under Article 87 of the Treaty and in the case of aid granted by bodies designated by the Member States, the final beneficiaries are the bodies which grant the aid<sup>26</sup>.

#### MEASURE

Means by which a priority is implemented over several years and allows financing the operation. Any aid scheme pursuant to Article 87 of the Treaty or any aid granted by bodies designated by the Member State or any group of aid schemes or aid grants of this type or any combination thereof having the same purpose or being defined as a measure.

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<sup>26</sup>Please see art. 9 of

<http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1999:161:0001:0042:EN:PDF>. According to the new Regulations related to the programming period 2007-2013 the definition of "final beneficiaries" has changed.

## OPERATION / INTERVENTION

Any project or action carried out by the final beneficiaries of the assistance;

## PROGRAMMING

The process of organizing, decision making and funding, conducted in several stages to implement on a multiannual basis the joint action of the Community and Member States, to achieve the objectives referred to in Article 1 of Regulation no. 1260/1999.

*With regard to the terms specified in the Applicant Guidelines, the following are stated:*

### SAPARD PROGRAMME

SPECIAL PRE-ACCESSION PROGRAMME FOR AGRICULTURE AND RURAL DEVELOPMENT (SAPARD) was created to support the efforts of accession of candidate countries to the European Union. The legal framework of the programme was established by Commission Regulation (CE/1268/1999) of June 21, 1999 on Community support for agriculture and rural development in the candidate countries of Central and Eastern Europe in the pre-accession period.

### PAYING AGENCY FOR RURAL DEVELOPMENT AND FISHERY

It is a public institution with legal personality, subordinated to the Ministry of Agriculture and Rural Development, established by the re-organisation the PARDF by Ordinance no. 13/22.02.2006. The PARDF creates the technical and the financial prerequisites necessary to the process of accession to European structures. Thus, the funds run by the PARDF develop rural areas in terms of economy and social aspects, grant direct support private producers, provide support for agricultural associations and for agricultural companies, and local councils, too.

### NATIONAL PROGRAMME FOR AGRICULTURE AND RURAL DEVELOPMENT (NPARD)

Approved by the European Commission on December 12, 2000 and amended by Commission Decision H/2002/1936 of July 11, 2002, it is the basic document that ensures implementation of the *acquis communautaire* in the pre-accession period. The NPARD was implemented under the SAPARD Programme in Romania.

### THE MULTI-ANNUAL FINANCING AGREEMENT 2000-2006

Signed on February 2, 2001 between the Government of Romania and the European Commission and ratified by Law 316/2001, which is the official document by which the grant of a financial contribution of 1.072 billion euro, by the European Commission, is decided for Romania and engaged in 2000-2006, in view of the implementation of SAPARD Programme.

### SUBMEASURE

Represents the component of a measure which, in its turn, has specific objectives; clearly states the specific details of each type of investment separately.

### RURAL AREA

Is the administrative territorial space of the communes in Romania, according to the national legislation in force;

### ELIGIBILITY CRITERIA

Mandatory conditions to be met by the potential beneficiaries and to prepare the project to be selected for obtaining the SAPARD grants. General eligibility criteria of the measure and those

specific for the sub-measures mentioned in paragraph 5 of Annex 3 of the Guidelines for Applicants (Measure Data Sheet 1.1).

#### ELIGIBLE EXPENSES

Expenditure that can be co-financed by the SAPARD Programme. In order for the expenses to be considered eligible in the context of the project, they must meet the following conditions:

- To be necessary to carry out the project, to be provided under the funding contract - model annexed to these Guidelines (Annex 2) and comply with the principles of sound financial management;
- To be effectively performed during the project execution and to comply with the funding contract, except for feasibility studies and related studies (technical, economic studies, business plan, permits, licenses, agreements, legal fees associated with them) the expenditure of which may be made before signing the funding contract but after issuing the Decision of the European Commission which will provide the management of SAPARD funds in Romania.
- To appear in the records of the beneficiary, to be identifiable and verifiable and be backed by the originals of the supporting documents for payment.

#### POTENTIAL BENEFICIARY

Legal entity / authorized person eligible to access the SAPARD Programme but who hasn't signed a funding contract.

#### PUBLIC CONTRIBUTION

Grants allocated to projects under SAPARD based on the funding contract only after establishment of the first investment in such projects; it is provided by the contribution of the European Union (75%) and of the Government of Romanian (25%) and covers 50% of the total value of the eligible project - unless investments are made in such sectors as sugar and oil seeds (for other types of investment than environmental protection), public contribution is 30%. For investment projects located in the villages identified in the CAP VIII of the NPARD, Appendices no. 76 and 77 (where the impairment is between 10% and 30% and more than 30%) the public contribution is 75% (of which 85% is the EU contribution and 15% is the national budget contribution) Provisions 16 (1) (a) Section A of the MAFA will not apply to oil seeds and sugar sub-measures.

#### PRIVATE CONTRIBUTION

Compulsory contribution of the beneficiary to access the SAPARD funds; the evidence of the private contribution can be made before the project contracting;

#### TOTAL ELIGIBLE PROJECT VALUE

The value of goods or services falling in the list of SAPARD eligible expenditure.

#### NON-ELIGIBLE PROJECT VALUE

The value of goods or services that cannot be financed by SAPARD and which are not eligible expenses.

#### TOTAL VALUE OF THE PROJECT

The total eligible and non-eligible funds.

**MODERNISATION / UPDATING**

It includes construction and installation works on building refurbishment, re-construction and restoration, which is done on existing sites, without modifying the original installation.

**NEW INVESTMENT**

It included the works of: construction, mounting, equipment, installation, which is done on new sites or for existing buildings that are changing destination.

**RAW PROCESSING**

Refers to processing the raw plant or animal material that has resulted in commercial products and sub-products that can be sold directly or through a higher level, by reprocessing.

**4.2.2. Description of Evaluation key terms**

The key terms of the Evaluation are explained in the Guidelines of the European Commission for the Evaluation of Rural Development Programmes supported by the SAPARD (2001), and in particular in Annex II, the glossary of evaluation terms. Below, we have selected some of the most significant terms that we used during the development of the evaluation stages conducted.

**COHERENCE**

Evaluation of the extent to which a better complementarity or synergy could be included in a program or with other programs. The internal consistency refers to the correspondence between the measures of the program and its objectives. The external consistency refers to the correspondence of the evaluated program in comparison with other related programmes, e.g. SAPARD measures and rural development activities from PHARE.

**COMPLEMENTARITY**

The actions / measures are complementary when contributing to the same objective, but not competing.

**CRITERION**

Feature which may be based on a judgment. The criterion must be explicitly defined. A measure will be usually judged based on several criteria. Indicators are therefore defined for each criterion. "Cost reduction" is an example of criteria that can be used to examine the effectiveness of a farm.

**DEADWEIGHT EFFECT**

The change in the situation of the beneficiary which would have been achieved without public funding, too. For example, a farm could have invested in the absence of co-financing.

**EFFECTIVENESS**

Evaluation of the effects compared to the objectives of the evaluated program. An action will be effective when the objectives have been achieved. For example, the ratio between "number of kilometres" of water pipes that should have been built (quantified objective) and the " number of kilometres" that have actually been built, are used to evaluate the effectiveness of a measure in agriculture on the irrigation system.

## EFFICIENCY

The evaluation of the effects achieved in relation to the mobilized inputs (financial or administrative): for example, at what cost inputs were converted into outputs, results and impacts. The same results could be achieved with fewer resources, or more results with the same resources?

## IMPACT

The effects of the programme on the medium and long term. There can be expected, unexpected, positive or negative impacts, also depending on the influence of external factors. The direct and indirect beneficiaries may be affected by program impacts.

## INDICATOR

At the end of these guidelines: information under a suitable form for the evaluation or "indication" of the effects of assistance. Indicators help quantify and simplify information on the complex phenomena. It is more than the raw / primary data it is based upon. Measurement produces raw data that can be aggregated and summarized to provide statistics; statistics can be analyzed and re-expressed as indicators, feeding processes of evaluation and decision making. There are programme indicators and context indicators. For example, an indicator of programme for the criterion "Cost reduction" may be "Balance between the costs and the turnover of the farm assisted." An indicator of the programme on the revenue in the geographical area covered by the programme can be compared with an indicator of context, "Gross agricultural incomes of the assisted farm" compared with the "Gross national agricultural income."

At the end of these guidelines, programme indicators are connected with criteria.

## INPUT

Resources mobilized for the programme implementation: financial means, material, legal and organisational resources.

## OUTPUT

What the programme supports. For example: construction, equipment storage, tourist facilities.

## RELEVANCE

Matching the objectives of the programme and the needs of the socio-economic sector to which the programme should respond.

## RESULT

The most immediate impact directly identifiable once the action has been implemented. To be checked immediately after completing the intervention. For example, when the tourist accommodation infrastructure is created or upgraded, a result could be an increased capacity of tourist accommodation; when transport infrastructure was created or upgraded, the travel time in the area will be reduced.

## SUSTAINABILITY OF RESULTS

Effects are sustainable when they last on a long term, and after the programme completion.

## SYNERGY

The fact that various measures / actions implemented together have a greater effect than when they implemented separately.

## TARGET LEVEL

The level that is expected to be achieved, is expected to meet the criteria and evaluation if assistance has been successful.

## UTILITY

The fact that the observed impact corresponds to the needs of the sector and to the identified socio-economic issues. Unlike relevance, utility does not appreciate interference as referring to the objectives of the assisted actions.

### 4.2.3. Specific and common evaluation questions

According to the Guidelines of the European Commission for the Evaluation of Rural Development Programmes supported by SAPARD (2001), evaluation strategy is based on defining and answering a set of evaluation questions (divided into Common Evaluation Questions, provided by the Commission, and program specific questions defined by national authorities as appropriate) supported by evaluation criteria measured quantified on relevant indicators. For each evaluation question, criteria will help formulate judgements about the success of examined assistance by connecting the indicator to the expected result or impact.

Common questions (and sometimes sub-questions on certain aspects of a question) on topics relevant to the EU (under Article 44 (1) of Regulation 1750/1999 establishing detailed rules for implementing Regulation 1257/1999 regarding the support for rural development by the European Agricultural Guidance and Guarantee Fund) and examine the effects of the programme (e.g. results, impacts) that can be expected thanks to the means and objectives of SAPARD (only the expected effects in a significant number of programmes).

Several questions focus on program effectiveness, but they are investigating other key aspects of evaluation where this is appropriate and feasible, in relation to relevance, effectiveness, efficiency, utility and sustainability of results.

The Common Evaluation Questions for the SAPARD Programme are organised into three chapters as follows:

#### A. Specific evaluation questions.

These are most of the questions. They regard effects arising from activities for each of the fifteen measures provided in Regulation 1268/1999 B.

#### B. Cross cutting questions.

They regard the overall impact of the SAPARD Programme in terms of results and implementation. Involves evaluation of intervention results in relation to the two general objectives of the SAPARD Programme in accordance with Article 1 (2) of Regulation 1750/1999 and effectiveness of the implementation mechanisms. This means that:

- a) consider whether the programming approach has brought added value compared with the juxtaposition of chapters / individual measures;
- b) examine the benefits both to direct and indirect beneficiaries and
- c) significant side effects (e.g. additional effects in terms of a certain program, but covered by SAPARD objectives).

Finally, provide a summary regarding the main effects of the program in relation to means and objectives of Regulation 1268/1999. Evaluation should follow a structure that reflects the fact that the general effects of SAPARD Programme are combined results of its individual measure effects. In this regard, specific evaluation questions should contribute to providing an answer to cross questions.

#### C. Questions of overall evaluation, regarding the general effects of SAPARD

They should be approached based on the answers to the other two previous chapters.

The answers to each evaluation question must be based on common criteria and indicators and any other relevant information on the impact of relevant actions implemented.

#### **4.2.4. Criteria for trial / analysis and target levels**

In order to assess the achievement of the objectives of the SAPARD Programme / national strategy / European strategies, by answering the evaluation questions, ex post Evaluator crossed criteria and indicators included in the trial evaluation questions formulated by the European Commission with the indicators and target levels set in NPARD.

For more details on this activity, see the document „Criteria and Indicators for each evaluation question” attached as Annex 3 to this Report.

#### **4.3. Data source, data collection techniques; information on methods for the quantification of indicators to assess data quality and validity and identify errors / omissions**

Ex-post evaluation analysis was done through the implementation of a quality / quantity information system which allowed a quantification of three levels of performance of the SAPARD Programme.

Qualitative-quantitative research, both desk and field, was due particularly to the fact that to certain questions of the evaluation questionnaire was not possible to answer exclusively through data provided by the monitoring system and therefore more data sources were identified.

These can be divided mainly between primary and secondary data, which have both a qualitative and quantitative nature.

Regarding secondary data considered for this report and for a correct valuation of the indicators the following sources were used:

- monitoring data
- Eurostat
- Farm Accountancy Data Network (FADN)
- National Institute of Statistics (NIS)
- Ministry of Economy

Data collected through desk research have been processed by the team of experts and completed through direct interviews with MA employees responsible with the implementation of single SAPARD Programme measures, in view to realise a quantitative analysis on Programme implementation.

Regarding the collection of primary data, the Evaluator has undertaken the following actions:

- Research conducted for the evaluation of Measures relating to cost sustained and the degree of impact expected. This first research found that only 8 of the 10 measures taken by the SAPARD had an expense over 10% of the financial plan;
- However, measures related to Axis 4, given their special nature, the Evaluator considered it appropriate to conduct investigations based on monitoring data and a distinct ad hoc survey;
- The next step was to develop ad-hoc questionnaires based on the type of intervention financed and requirements of the Common Evaluation Questions and comparison with available monitoring indicators:
- Collection of the lists of beneficiaries from the Program management structures;
- Defining the methodology for drawing the sample of 251 recipients with which the interviews were made:
- Direct surveys in April / May 2011.

Resuming, the main methods and techniques utilised by the Evaluator in order to collect data needed to provide an answer to the evaluation questions foreseen by the European Commission methodology for the ex post evaluation of programmes financed under SAPARD, are described in the following table:

Method	Scope
<b>Desk research</b>	It permits, through indicators and data on Programme implementation (physic and financial progress) to collect information (from secondary sources, official statistic sources) needed to build a data base per measuring the net impact (SAPARD Programme impact on the national socio-economic context)
<b>Seminar meetings</b>	The collection of information for evaluation analysis and data collection
<b>Field investigation (case studies)*</b>	Quantitative and qualitative data on beneficiaries aiming at providing an answer to the evaluation questions as well as an information on the level attained as regards the programme objectives (results and impact)
<b>Focus Group (Managing Authority, PARDF) **</b>	The collection of quantitative and qualitative information as regards programme efficiency and effectiveness
<b>Direct interviews with SAPARD Programme Monitoring Committee members **</b>	The collection of quantitative and qualitative information as regards programme efficiency and effectiveness
<b>Multi-criteria analysis</b>	The identification of criteria for answering to evaluation questions

\* Case studies have been grouped in Appendix 6 of this Final Report

\*\* Besides interviews and focus groups organised with the MA / PARDF, the Evaluator has organised a survey among MA/PARDF employees; the information collected has been used to assess the implementation and human resources management system concerning the Programme management.

\*\*\* These were not realised, as they were replaced by the direct survey addressed to MA/PARDF employees.

In the following pages the methodology used for field investigation based on questionnaire, for each measure is detailed.

### Sampling plan

Below it is presented the methodology for establishing a representative sample of projects that were selected in the activities of ex-post Evaluation of the SAPARD Programme. The starting point

of each sampling process is to define the population object of study (or universe of reference), being necessary to identify the exact nature of the elements that compose it. In this case, the target population was identified *in primis* by the projects that on December 31, 2009 were completed through full funding of beneficiaries, it is about 4374 projects, divided into 10 different Measures (1.1, 1.2, 2.1, 3.1, 3.2, 3.3., 3.4, 3.5, 4.1 and 4.2). It is noted however that:

- Measures 3.2, 3.3 and 4.1, not being financially significant (representing 0.2% of public expenditure planned) were evaluated by investigating certain representative beneficiaries of these measures;

- Measure 4.2 subject to other evaluation tests (Focus Group Managing Authority, PARDF)

It thus results that the total projects taken into account were 4.359 and covers the 6 Measures. Their distribution is shown in the table below, where is also highlighted the amount of financing for each Measure. Note (important for the sample) the percentage of various Measures and the difference between the value that each one has, taking as reference its importance in terms of number and amount financed.

*Table: Comparison of the share of measures subject to sampling*

Measure	Projects no.		The amount paid on 31.12.2009	
	Absolute value	Percentage value	Absolute value (in €)	Percentage value
1.1 Improvement of processing and marketing of agricultural and fishery products	450	10.3%	351,024,392.25	27.1%
1.2 Improving the structures for quality, veterinary and plant health control, for the quality of food stuffs and consumer protection	19	0.4%	29,355,166.21	2.3%
2.1 Development and improvement of rural infrastructure	843	19.3%	600,300,647.49	42.7%
3.1 Investments in agricultural holdings	1,916	44.0%	236,839,730.50	18.1%
3.4 Development and diversification of economic activities generating multiple activities and alternative income	1,018	23.4%	68,196,079.21	5.3%
3.5 Forestry	113	2.6%	57,599,443.58	4.5%
TOTAL	4,359	100.0%	1,343,315,459.24	100.0%

It is obvious, by looking at the chart above that, for example, Measure 3.1 absorbs a notable number of projects (44%) but that translates into financial terms only 18% of the total funded by the 6 Measures. On the other hand, Measures 2.1 and 1.1 are very consistent financially but less in terms of number of projects.

Analyzes have suggested, therefore, a sampling methodology that takes into consideration the particular composition of the reference population. In particular, to improve the process efficiency,

it was decided to use a stratified sampling, which allows the performance of greater statistical representativeness of the sample, using the same amount of resources or, similarly, the same representation with less waste of time. Stratification consists of dividing the target population in several subpopulations (strata) and the selection of independent samples for each of them. The purpose of this operation is to introduce control over the selection of statistical units (in this case projects), homogeneous compared to one or more variables object of study (in this case membership Measures), maintaining random drawing process.

Before taking into account the stratification means of the target population, will be identified the most convenient sample size in relation to analysis purpose. Choosing the sample size is one of the main problems encountered when elaborating a sampling plan, including the report to the issue of resources economy. The question to resolve is deciding on the smallest number that meets specific requirements of the estimations set a priori. Indicating the accuracy of estimates, in practice, means establishing the margin of error tolerated and at the same time, a degree of confidence that the estimates are positioned within a defined interval by the error margins specified. In preparing samples, the theory provides formulas for calculating sample size, once established the margin of error tolerated and the level of confidence that accompanies (usually for a statistical survey, a level of 95 percent is considered certain), the size of population being known.

In this case, where N indicates the size of population (4359 projects),  $\theta$  is the maximum admitted margin of error (it was considered sufficient an amount equal to 6%),  $1-\alpha$  is the degree of confidence (0.95), and z is standardized variable (= 1.96 per  $\alpha = 0.05$ ) is distributed as a normal value, the sample size is obtained by the formula:

$$n = z_{\alpha/2}^2 * N / [4*(N-1) * \theta^2 + z_{\alpha/2}^2]$$

and provides a number of sampling units equal to 251.

Once established the total number of sample projects, will identify the appropriate methodology for extracting units within layers. The criteria most used in working with stratified sampling are:

- proportional distribution, where the number of layers will respect the proportion they have in total population;
- optimal distribution, where the number of layers depends on other variables including layer variant, through which will be extracted a higher number of sampling units in layers with higher own variability.

In this case, it was considered appropriate that the distribution of sample units within each measure takes into account several factors:

- a) number of projects contained;
- b) the possibility of further projects stratification taking into account the sub-measures;
- c) the amount of payments;
- d) variability of amounts related to projects, or layer variant.

Depending on the considerations made, there was an assumption regarding the extraction of samples giving an identical share to „number of projects” and „amount financed” factors; and making corrections in relation to the layers variability.

The table below shows the number of statistical units sample to establish.

Measure	Share of number factor	Share of financial factor	Average	Corrected average	Sample extraction (number)
Meas. 1.1	10.3%	27.1%	18.7%	18.3%	<b>46</b>
Meas. 1.2	0.4%	2.3%	1.4%	2.1%	<b>5</b>
Meas. 2.1	19.3%	42.7%	31.0%	31.5%	<b>79</b>
Meas. 3.1	44.0%	18.1%	31.0%	30.2%	<b>76</b>
Meas. 3.4	23.4%	5.3%	14.3%	13.8%	<b>35</b>
Meas. 3.5	2.6%	4.5%	3.6%	4.1%	<b>10</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>251</b>

After determining the number of sample projects, extraction took into account also the dividing into Sub-measures, where they contained a significant number of projects (those with a modest number of projects have been grouped into a single substrate in the „Other activities“). In establishing the units to be extracted from each Sub-measure was used the same method that previously allowed divide sample in Measures, i.e. taking into account a distribution that takes into account both the number and the financial share of each Sub-measure.

*Measure 1.1 – Improvement of processing and marketing for agricultural and fishery products*

Sub-measure	Share of number factor	Share of financial factor	Average	Samples to be extracted
Meat and meat products and eggs	42.6%	51.8%	47.2%	<b>22</b>
Milk and dairy products	20.1%	14.3%	17.2%	<b>8</b>
Cereals	14.3%	12.0%	13.2%	<b>6</b>
Wine	9.5%	8.5%	9.0%	<b>4</b>
Fruits vegetables, and potatoes	8.6%	9.2%	8.9%	<b>4</b>
Others	4.9%	4.2%	4.5%	<b>2</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>46</b>

*Measure 1.2 - Improving the structures for quality, veterinary, and plant-health control, for the quality of food stuffs and consumer protection*

Sub-measure	Share of number factor	Share of financial factor	Average	Samples to be extracted
Sanitary-veterinary sector	84.2%	87.8%	86.0%	<b>4</b>
Others	15.8%	12.2%	14.0%	<b>1</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>5</b>

*Measure 2.1 - Development and improvement of rural infrastructure*

Sub-measure	Share of number factor	Share of financial factor	Average	Samples to be extracted
Roads in rural areas	54.1%	54.0%	54.0%	<b>43</b>
Drinking water supply system in centralised network in rural areas	33.5%	29.5%	31.5%	<b>25</b>
Sewerage in centralised system in rural areas	10.3%	12.5%	11.4%	<b>9</b>
Infrastructure to prevent and protect against flood	2.1%	4.0%	3.1%	<b>2</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>79</b>

*Measure 3.1 - Investments in agricultural holdings*

Sub-measure	Share of number factor	Share of financial factor	Average	Samples to be extracted
Field crops	63.5%	47.7%	55.6%	<b>42</b>
Horticulture	3.9%	1.3%	2.6%	<b>2</b>
Vineyards	3.2%	3.3%	3.2%	<b>2</b>
Fruit tree culture	3.6%	2.3%	3.0%	<b>2</b>
Greenhouses	2.3%	2.4%	2.3%	<b>2</b>

Dairy farms	11.6%	13.3%	12.5%	<b>9</b>
Cattle growth and fattening	0.8%	1.6%	1.2%	<b>1</b>
Sheep / goat farms	1.2%	1.5%	1.4%	<b>1</b>
Rams fattening	0.5%	0.8%	0.6%	<b>1</b>
Pig farms	4.4%	12.8%	8.6%	<b>7</b>
Poultry farms	4.1%	11.7%	7.9%	<b>6</b>
Other vegetable, livestock and poultry farms	0.9%	1.3%	1.1%	<b>1</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>76</b>

*Measure 3.4 - Development and diversification of economic activities generating multiple activities and alternative income*

Sub-measure	Share of number factor	Share of financial factor	Average	Samples to be extracted
Rural tourism	59.4%	78.9%	69.1%	<b>24</b>
Other type of tourism activities	6.0%	7.7%	6.8%	<b>2</b>
Handicraft	1.7%	1.7%	1.7%	<b>1</b>
Aquaculture	1.5%	2.7%	2.1%	<b>1</b>
Others	31.4%	9.0%	20.3%	<b>7</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>35</b>

*Measure 3.5 - Forestry*

Sub-measure	Share of number factor	Share of financial factor	Average	Samples to be extracted
Forestry roads	66.4%	88.7%	77.5%	<b>8</b>
Others	33.6%	11.3%	22.5%	<b>2</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>10</b>

#### 4.4. Techniques / methods to answer evaluation questions and to obtain conclusions

As already mentioned, the centre of the ex post evaluation, according to Commission Guidelines for evaluation of Rural Development Programs supported by SAPARD, was represented by elaborating answers to Common Evaluation Questions and formulating opinions on the level of achievement of objectives (target), implement techniques and methods of collecting information / data mentioned here and other Reports in this contract being, in fact, instrumental for conducting this central stage of evaluation activity.

Guidelines Methodology above mentioned is the ultimate tool that the Evaluator used to define rigorously a preliminary analysis for each measure and for the Program, of the accomplishments and results achieved against target levels and therefore the effects generated. After this initial recognition came the actual formulation of answers to Common Evaluation Questions, putting into relationship presented indicators, the trend on the context analysis, so the macro / micro and socio-economic information, and survey results conducted among the final beneficiaries.

In case of Romania SAPARD Programme, it is referred to the next set of evaluation questions, criteria and indicators decided between the Measures, all of which are considered to analyse answers to evaluation questions, noting that the indicators referred to below represent the minimum set that result directly from the Commission Guidelines (i.e., do not include additional indicators identified by the Evaluator, given specific objectives and targets of Romania SAPARD Program):

Common Evaluative Questions		Questions	Criteria	Indicators
<b>Cross cutting questions</b>				
	<i>contribution to the implementation of the acquis communautaire concerning the Common Agricultural Policy</i>	2	4	8
	<i>contribution to solving priority and specific problems for adaptation to sustainable agriculture and rural areas in the applied countries</i>	5	10	12
	<i>regarding the development and implementation of the Programme</i>	1	4	7
<b>Specific questions for each measure</b>				
1.1	<i>Improvement of processing and marketing of agricultural and fishery products</i>	5	8	11
1.2	<i>Improving the structures for quality control, veterinary and plant health, for the quality of food stuffs and for consumer protection</i>	1	3	3
2.1	<i>Development and improvement of rural infrastructure</i>	3	6	6

Common Evaluative Questions		Questions	Criteria	Indicators
3.1	<i>Investments in agricultural holdings</i>	6	7	11
3.2	<i>Setting up producers' groups</i>	2	4	5
3.3	<i>Agricultural production methods designed to protect the environment and maintain the countryside</i>	3	4	6
3.4	<i>Development and diversification of economic activities, generating multiple activities and alternative income</i>	2	3	3
3.5	<i>Forestry</i>	4	10	13
4.1	<i>Improving vocational training</i>	2	3	4
4.2	<i>Technical Assistance</i>	2	4	6
	<b>Total</b>	<b>38</b>	<b>70</b>	<b>95</b>

The answers to evaluation questions were developed based on evidence from an analysis of criteria and indicators that apply to them and all relevant context information that may explain the evolution and trend of that particular phenomenon (e.g. „Employment in agricultural work”).

### Indicators

A system of output, result and impact indicators is essentially the starting point for correct development of evaluation activities. Indicators are actually the most important tool and are obtained by various sources of information. They allow the Evaluator to highlight the progress of the programme, to verify and evaluate them and thus becoming the basic model on which is based the entire evaluation system.

A careful analysis was performed by the Evaluator within the intermediate report I regarding activity 1.4.3 as foreseen in the Technical Offer, that made possible a link between output and impact indicators of each Measure and to correlate them with the evaluation questions thus adding useful evaluation elements for a correct elaboration of answers.

Generally, performance indicators considered for evaluation activities and presented in the monitoring system of the Programme „have been developed based on their availability and relevance”. In particular, these include:

- Financial indicators of Measure progress
- Physical indicators on the accomplishments funded
- Indicators of achievement and impact

In this respect, please refer to annexes of the final evaluation report SAPARD Romania prepared in June 2010

**Financial indicators** taken into account in analyzing the progress of each Measure (presented in Annex 1 to this report) were developed starting from the analysis of the financial allocation

envisaged, commitments in implementation phase and payments actually paid and can be summarized as follows:

- cost capacity, provided by the ratio of payments and expected financial plan;
- engagement capability provided by the ratio of commitments and forecasted financial plan

For this type of indexes the main source for data processing, was monitoring system and data reported in annual progress reports.

In terms of physical indicators used, their definition is relative to quantify achieved objectives, it is always about the activities performed, measurable and quantifiable, and in general information gathered or provided by the monitoring system refers to:

- Physical objectives achieved in relation with resources provided;
- Number of initiatives and / or beneficiaries financed.

In this case, the Evaluator used almost always the information contained in the data reported by the monitoring system, in some cases being necessary to make estimates and approximations based on data having at disposal.

Finally, the use of **result and impact indicators**, which by their definition is presented to a higher level compared to the indicators mentioned before, refers to the actual evaluation activity, object of the present report. In the ex-post evaluation stage these are the true means of evaluation, which is why the Evaluator gives an increased attention to their quantification.

Indeed, it is useful to check, based on the prefixed targets in the programming state, the progress of these indicators in relation to costs incurred to support and providing useful inputs for the new programming.

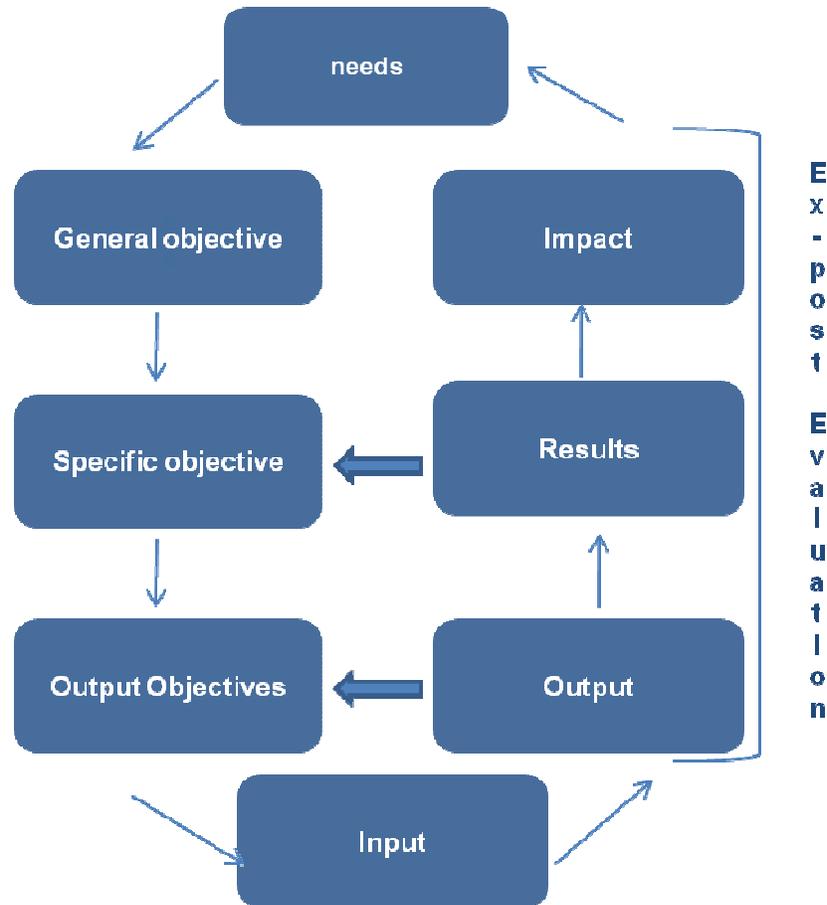
Typology of result and impact indicators, for SAPARD Programme is by its nature, rich and varied, but generally takes into account certain recurrent factors:

- The characteristics of beneficiaries (geographical location, medium sizes)
- Beneficiary behaviour as a result of financing (quantified target)
- Ability to intercept the request;
- Decisions taken as a result of financing (in terms of income and work employment);

**Impact indicators**, which for SAPARD Romania are 15, measure the specific impact generated by the financed investment and are consequences of outputs and results, the impact can be assessed at least two years after achieving the financed intervention.

Ex-post evaluation, as shown in the figure below, focuses on this aspect, showing even greater attention to cause effect relationship, generated between outputs, results and impacts.

Especially in the merit of those above mentioned, is crucial to feed the evaluation process through a coordinated and updated information system that allows the opportunity to properly quantify all three levels of program implementation.



#### 4.5. Problems or limitations of the methodology used

The main problems encountered with regard to the implementation of the methodology described, include the following:

- Deficiencies in the monitoring system: the system did not reveal certain indicators (such as the number of cities interested in investments) and other monitoring data were revealed only at aggregate level (to Measure and / or Sub-measure) and not the beneficiary level, thus limiting the ability to develop an appropriate analysis and better stratification of the universe of beneficiaries. Unavailability of these key indicators made it difficult to build upper level indicators, including result and impact indicators. Therefore Evaluator used the analysis of context data to calculate these values.
- Target values were defined for all measures (e.g. totally lacked for Technical Assistance Measure) and many were wrong (probably not taking into account the phenomena of inflation and rising living standards) to the budgets available, which limited evaluation activity. To meet this problem there were identified alternative indicators to evidence measure / sub-measure

progress such as unit costs € / km, € / room accommodation, etc. However, these alternative indicators did not have a reference value / baseline reason to lose the concept of change and to achieve the target, i.e. the effectiveness evaluation.

- Difficulties were met in carrying out surveys on beneficiaries, because SAPARD Programme beneficiaries were not always available, mainly because of the time lapse relatively long that intervened from projects implementation and the moment of surveys implementation within ex post evaluation, which caused that available contact data were often no more valid.

## 5. DESCRIPTION OF THE PROGRAMME, OF THE MEASURES AND OF THE BUDGET

### 5.1. Implementation of the Programme: actors involved, institutional context

#### 5.1.1 Management and control system – Actors, roles and positions

The organisation system defined by Romania for the implementation of the SAPARD Programme 2000-2006 is characterized by the full performance of the so called “Extended Decentralized Implementation System” (EDIS) which, based on article 12 of the Regulation (EC) No. 1266/1999, provides the total decentralization of the administrations of the member states as what administration of the pre-accession Funds are concerned.

The decentralized implementation model applied in Romania involves a pluralism of subjects and bodies whose duty and skill profiles concerning the roles and procedures are defined in a series of official normative documents.

Mainly, the Multi Annual Financing Agreement concluded between the European Commission and the Romanian authorities in 2001 is the technical, administrative and legal reference framework to implement the Programme, thus defining the duties of the authorities involved in the administration of the programme.

The organisation model for the administration and implementation of the SAPARD Programme is divided in three levels of management: central, regional and local, in which operate different players and namely:

The **Managing Authority**, initially framed in the Ministry of European Integration (from 2000 until 2004), and after that, for a short period of time it was transferred to the Ministry of Finances and then it was definitively moved to the Ministry of Agriculture, Forestry and Rural Development, it is defined together with its assignments in section B (mainly art. 1 and 5) of the Multi Annual Financing Agreement (MAFA);

The **Competent Authority**, represented by the National Fund from the Ministry of Finances, in charge (Section A of the MAFA, art. 2 and art. 4) with the control and verification of the implementation procedures applied by the SAPARD Agency (PARDF);

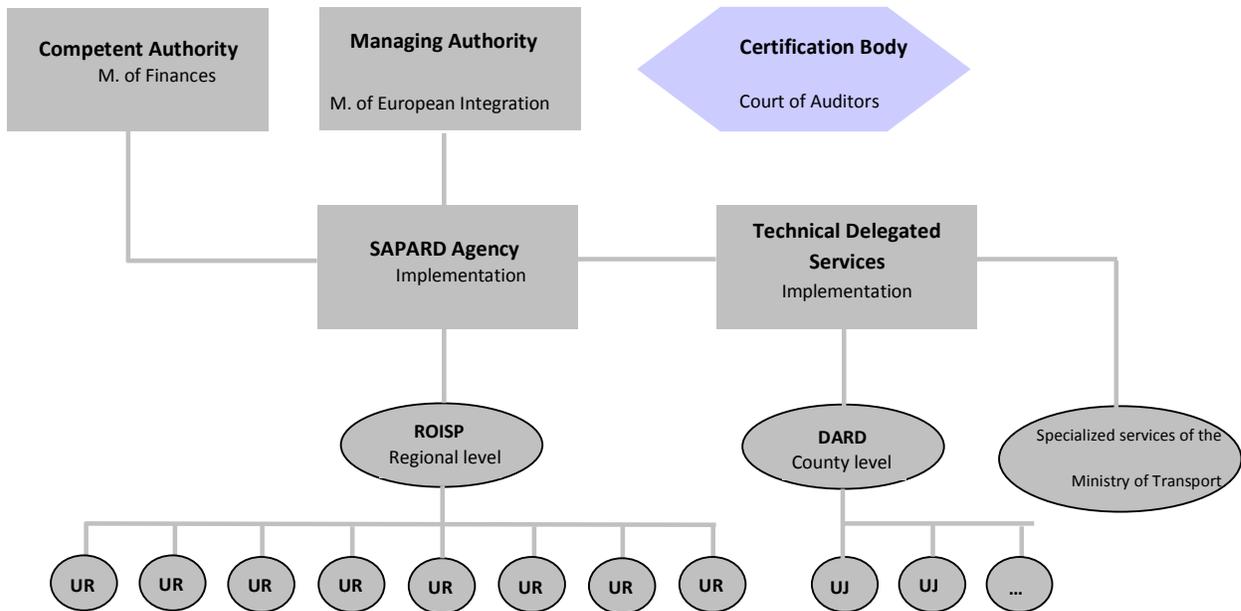
The **Certification Body** represented by the Audit Authority from the Romanian Court of Auditors;

**SAPARD Agency** in charge with the operational and financial implementation of the Programme, based on articles 2, 5 and 8 from Section A of the MAFA. The agency, established in September 2000, represented an independent body, subordinated to the Ministry of Agriculture which carried out its own role with the help of the eight Regional Offices (ROISP) and of the Delegated Technical Services, namely the County Departments for Agriculture and the specialized services from the Ministry of Transport, Building and Tourism (MTBT). In 2006, following the dissolution of the agency, the role and the duties entrusted to it were transferred to the Agency of Payments for

Rural Development and Fishery (PARDF), and this was also represented on territorial level by 8 Regional Centres and 42 County Offices.

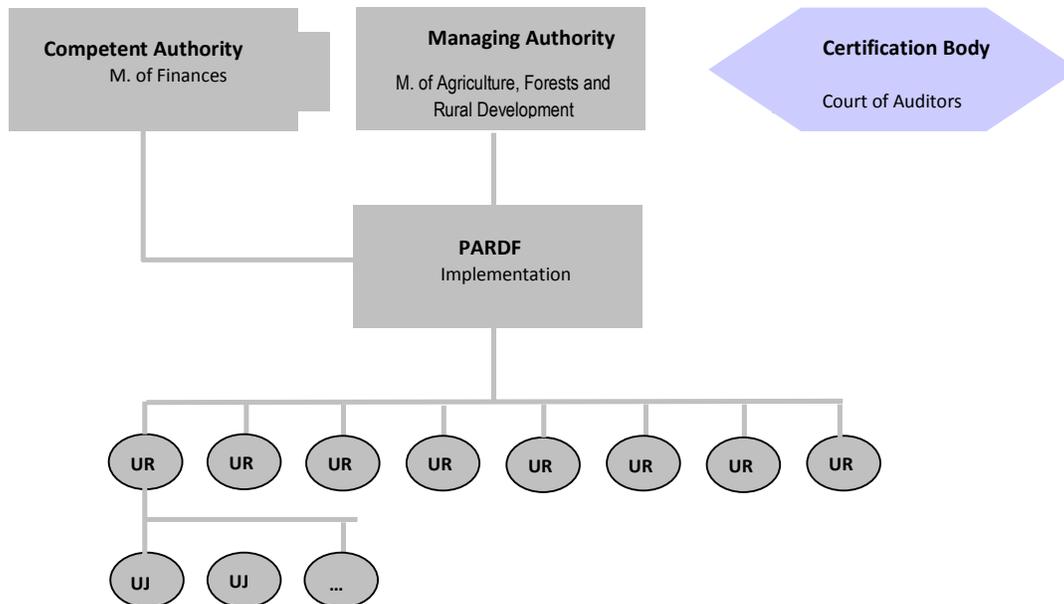
The figures below show the organisation of the Management and Control System of the Programme, outlining the three Authorities in charge with the administration and control of the entire Programme and with the functional connection between the SAPARD Agency / PARDF, the Managing Authority and the Competent Authority, in 2002 and after 2006.

**Figure no. 1a: Organisation of the management and control system of SAPARD Programme in 2002**



Source: Elaborated by the Evaluator

**Figure no. 1b: Organisation of the management and control system of SAPARD Programme after 2006**



Source: Elaborated by the Evaluator

#### *Brief presentation of the inquiry of the staff within MA and PARDF*

In order to complete the documentation analysis upon the management system of the SAPARD Programme in Romania with quality related information, in May 2011 was carried out an inquiry among the staff from MA and PARDF. The questionnaire was distributed by the AM and PARDF in electronic format, and the answer rate, of over 86% of the total of subject employees (the central, regional and county level of implementation of SAPARD programme) was extremely high. Therefore, the total number of answers was 659, of which 17% of some employees were in leadership positions (managers, heads of departments). Regarding the main duties of the departments of the respondents we have the following information: over 43% of the respondents are involved in activities of verification and authorisation of payments; about 35% are involved in activities of control, evaluation, selection and contracting of the financing applications; nearly 11% are involved in activities related to projects and internal audit control; nearly 5% are in charge of the purchases control<sup>27</sup>. Regarding the period of employment of the respondents the share of the individuals employed before 2006, representing over half of the respondents (55%), is a little bit higher than that of the individuals employed between 2006 and 2010 (43%), while less than 1% of the respondents were employed less than a year before<sup>28</sup>.

The questions were related to three main aspects, essential for the good administration of the programme, namely the professional training of the staff, the integration of the staff on the position taken and the use of the work procedures. Moreover, the respondents were invited to express their opinions regarding the changes of the management system of the programme.

Next, the results of the inquiry will be included in the related sections of evaluator's comments.

<sup>27</sup>The rest of about 6% are involved in activities including monitoring, reporting, technical implementation of the projects, recording and registration of the accounting documents.

<sup>28</sup>About 0,6% of the participants in the inquiry didn't answer this question.

*Evaluator's comments:*

As result of the changes brought and which mainly involved the transfer of the Managing Authority in the Ministry of Agriculture, Forestry and Rural Development and the re-organisation of the SAPARD Agency so as to provide functional independence between the three authorities in charge with the administration of the financial system of the Programme, the entire Management and Control System of the programme showed a **much higher capacity of organisation**, which coincided with an acceleration of the financial performance of the programme and with the execution of more projects according to the changes from the social-economic context of the country. Also, the system was improved for the perspective of providing an increased capacity of administration of the EU funds in the 2007-2013 planning period.

Therefore, the Public Administration from Romania accepted the challenge for the **decentralized administration** of the programme launched by the European Union, showing it acquired in time the abilities necessary to provide the efficiency and the effectiveness of the administration and implementation of the pre-accession Programme for rural development in a solid and **lasting** institutional construction, with managerial centre in the Ministry of Agriculture and Rural Development and the operational centre in the PARDF.

The results of the questionnaire subject to the staff of MA and PARDF state the fact that the organisational changes, at least from structural point of view interested a limited number of individuals currently employed within the management structures of NRDP 2007-2013, less than 20% of the respondents said they didn't work in the same department in which they were initially employed. This suggests that the organisational changes didn't affect the work continuity, materialised more in growing the staff than in changing the duties of the individuals already employed.

Even more, the opinion of the MA and PARDF staff related to the changes of the management system of the programme is generally good, over 70% of the respondents said that they helped in providing funds absorption (44%) or that they contributed to the acceleration of the processes (26%). At the same time, nearly a third of the respondents (30%) considers that the changes were too many and yet, just a small part was relevant (14%), they considered the changes as useful, but they came too late so as to have a real impact upon the implementation of the program.

The evaluator appreciates in a positive manner the fact that nearly 10% of the respondents made comments about the changes of the management system.

Of these, nearly 30% considers that the implementation procedures of the SAPARD Programme were difficult and/or inconsistent, including due to the legal changes which took place along the years in the fields relevant for the implementation of the projects, like the public procurements field. On the other hand five individuals stated that the changes, although too many, were useful and three individuals stated that the changes to the level of the procedures were always correlated to the proper level of training of the staff.

At the same time, there were very different comments including the following main subjects approached by more individuals:

- SAPARD programme was a success and it prepared the staff for the proper implementation of NRDP 2007-2013;
- SAPARD programme was more simple than NRDP 2007-2013
- the funds absorption issues were due to the difficulties encountered by the applicants in providing co-financing, as well as to the fact that the beneficiaries didn't have the proper

assistance during the design and performance of the projects;

- the implementation of the SAPARD programme was supported by the good cooperation between the institutions involved in the performance of the programme.

### **Managing Authority**

Based on the articles 2, 5, 6, 7, 8, 9, 10 and 11 of section B of the Multi Annual Financing Agreement, the Managing Authority is the body in charge of the efficient and effective administration of the entire programme, stimulating the coordination between all bodies involved in the planning and provision of monitoring and in the programme evaluation.

Moreover, following the counselling with the Paying Agency and in agreement with the representatives of the Monitoring Committee, the Managing Authority can make suggestions for changing the Programme by the European Commission.

In the period between 2001 and 2004, the Managing Authority was under the Ministry of European Integration, in 2004 following internal re-organisation of the public administration from Romania, the Managing Authority of the SAPARD Programme was transferred to the Ministry of Finances for a short period and then it definitively became under the coordination of the General Directorate for Rural Development of the Ministry of Agriculture, Forestry and Rural Development.

The activity of the Managing Authority is closely related to the role of the **Monitoring Committee**, managed by the MC president, the ministry of agriculture and formed of representatives of the public administrations, local authorities, professional associations, representatives of the social – economical partnership and non-governmental organisations interested in the themes of the SAPARD Programme. According to the section B article 7 of the Multi Annual Financing Agreement, the Monitoring Committee, established based on the Decision of the Prime Minister no. 271/04.04.2001, provides the efficiency and the quality of implementation of the programme. Therefore, in the Decision of the Prime Minister no. 188/14.09.2004 the president of the Monitoring Committee became the Ministry of Agriculture, Forestry and Rural Development.

The commitment in the administration of the SAPARD programme and the experience achieved along the years brought the Ministry of Agriculture, Forestry and Rural Development the position of Managing Authority of the Rural Development Programme for 2007-2013.

Following the reorganisation of the public administration from Romania the team of the Monitoring Committee suffered a few changes (in the Decisions of the Prime Minister no. 1/04.02.2005 and no. 1/72492/2007), providing the inclusion of representatives of the central public administration which have a key role in the context of the rural development policies, changes which enforced the role of guidance of the Committee, turning it into a body capable of assessing the progress of the programme and to direct the investments to productive sectors – the most capable of having a positive impact upon the agricultural development in the country.

Between 2000 and 2009, the Managing Authority organised seventeen reunions of the Monitoring Committee. At these reunions, were adopted decisions regarding:

- changing and completing of the structure and level of representation in the Monitoring Committee for the SAPARD programme by including new members;
- changing the Internal Regulation of Organisation and Operation of the Monitoring Committee with the purpose of increasing efficiency of the Committee's activities;
- formation of counselling working groups per measures, including economical and social parameters, with the purpose of permanent information of the representatives of the professional associations and of the economical and social partners regarding the changes in the SAPARD measures, to the most frequent issues encountered in the application of the measures, as well as the progress in implementing the measures;
- change of NPARD, namely of the financial tables – relocations within the measures;

- changing the technical fiches of the Programme measures;
- approval of the annual reports of implementation of the SAPARD Programme in Romania;
- approval of the Action Plans for the implementation of measure 4.2 “Technical Support” and of the Action Plans regarding the absorption of SAPARD funds.

*Evaluator's comments:*

The transfer of the MA in the Ministry of Agriculture, Forestry and Rural Development provided a new impulse for the programme, also contributing to the consolidation of its role. Mainly, they attempted a **rebirth of the partnership** and of the internal and external coordination of the entire Programme by consolidating the cooperation with the local and regional authorities, the social economical stakeholders interested in the themes covered by the programme. The **information campaigns** carried out at national, regional and local level offered a better communication of the opportunities provided by the programme, ensuring the involvement of the potential beneficiaries and at the same time a better distribution of the results generated by the programme.

In addition, the Managing Authority took all measures to avoid the disengagement of the programme resources, by providing reallocation of the resources in the favour of the measures in which the demand was higher than the financial availability and by providing an open dialogue with the European Commission, which guaranteed the activation of the correction procedures and measures necessary to continue the program in a financial perspective and of administration focused on the efficiency and effectiveness of the implementation.

The structure, the role and the functions assigned to the Managing Authority and the Monitoring Committee are completely adequate to ensure the progress in adopting the **acquis communautaire** in the fields of agriculture, rural development and fishing, as well as to acquire the experience necessary for the EAFRD administration in the planning period of 2007-2013, according to the requirements included in the relevant regulations (firstly, EC Reg. 1698/2005).

### Competent Authority

The Competent Authority of the SAPARD programme is represented by the National Fund, which operates within the Ministry of Finances and it operates independent of the Certification Body and the Paying Agency for Rural Development and Fishery (PARDF) (e.g SAPARD Agency). The national responsible with the authorisation of financing is the general manager or the state secretary who coordinates the activity of the National Fund.

According to the provisions of the Multi Annual Financing Agreement (Section A, art. 4) the Competent Authority has a control and revision role for the procedures of enforceability performed by the Paying Agency PARDF and its internal structures, especially referring to the payment circuit, the accounting, administrative and internal control procedures used by the agency by checking:

- payment procedures
- security of the computerized accounting systems
- recording of accounting data
- independence and conformity of the internal and external control systems
- contracting procedures and principles
- observance of the selection procedures.

Mainly the examinations performed by the Competent Authority should take into consideration the European Union interests by focusing on the confirmation that the Paying Agency implements all procedures to secure the effective financial administration of the programme before performing the payment to the beneficiary. In this meaning the Competent Authority performs a control to check if<sup>29</sup>:

- the agency will verify the payments eligibility and their accession to the financing agreement before making the payment
- the payments made and the if commitments they precede are correctly assigned
- the preparatory documents for the payment should be sent in due time and in the form required
- eligibility of applications and their conformity to the agreement is verified before the stipulation of the contract with the beneficiary and the registration of the obligation.

### **Certification Body**

The duties of the Certification Body are carried out according to Section A, article 6 of the MAFA, by the Audit Authority from the Court of Auditors, a body which operates independent of the other authorities involved in the administrative and financial management of the Programme. The Certification Body performs the control regarding the amounts which the Agency needs on an annual basis from the European Union. Concretely, the controls concern the commitments, the conformity related to the financing and co-financing quotas annually established in the Financing Agreement, also performing direct controls on samples upon the transactions made by the Agency.

The results of the audits are summarized in an annual report which is sent to the European Commission together with the payment declaration.

#### *Evaluator's comments:*

The institutions appointed to fulfil the role and the functions of the Competent Authority and of the Certification Body, namely the General Manager of the National Fund from the Ministry of Finances and the Auditors Court are considered by the evaluator as suitable to separate the functions and the duties within the implementation system of the SAPARD Programme.

### **Paying Agency for Rural Development and Fishery PARDF (SAPARD Agency)**

SAPARD agency, established in September 2000 is a public body with legal nature subordinated to the Ministry of Agriculture, Forestry and Rural Development, in charge with the physical and financial implementation of SAPARD Programme in Romania on regional and local level.

According to the provisions of the Multi Annual Financing Agreement (Section A, articles 5 and 14), the Agency is formed of two internal divisions, responsible for the operational implementation of the Programme and for the payments. The eight regional structures (ROISP) which the Agency uses for the implementation of the programme are responsible for the payments made to the beneficiaries and are modelled on the agency's structure, formed of two divisions: the division for the implementation of the Programme and the Division for pre-authorisation of payments.

In the complex structure of the agency were involved other two institutional players which operated on local level, as **Delegated Bodies**: the Rural Development Directorate of the Ministry of

<sup>29</sup>

Ibidem.

Agriculture, Forestry and Rural Development for measures 1.1, 3.1 and 3.4 and the Ministry of Transports, Building and Tourism for Measure 2.1. These delegated bodies have the responsibility of control the eligibility of costs and payment applications made by the beneficiaries of the measures which relate to their expertise. The Rural Development Directorate uses county offices with duties particular for the implementation of the Measures, Ministry of Transport, Building and Tourism is formed of 8 regional centres.

Although SAPARD ensured an efficient implementation of the Programme, in 2006 with the purpose of providing a better expedience in the payment procedures, Ordinance 13, then ratified in a national law, transferred the assignments of the SAPARD Agency to the **Paying Agency for Rural Development and Fishery (PARDF)**, divided PARDF in eight regional centres and a county payment office for each county. The Agency reorganisation led to a decrease of the staff of the Delegated Bodies, as a significant number of human resources was transferred from local to central level, allowing a review of the delegated bodies, turned into delegated technical bodies.

*Evaluator's comments:*

The change which took place in 2006 and which led to the transformation of SAPARD Agency into the Agency for Payments for Rural Development and Fishery (PARDF), extending the assignments on county level, led to an acceleration of the payment procedures, which allowed the PARDF the delivery of the reimbursement applications to the competent authority twice a month, leading to an increase of the volume of costs concerning SAPARD. Moreover, PARDF also carried on performing the duties of its expertise, providing continuity of the SAPARD Programme and simultaneously it ensured the successful launch of the rural development programmes for the period 2007-2013. Overlapping two periods of programmes caused a consolidation of the entire structure PARDF, which due to an intense activity of training made on various levels, provided full operation of the institution for the launch of the new rural development programme financed from EAFRD.

### 5.1.2 Personnel within Programme implementation structures

The staff from the implementation structures of the Programme, on the three levels of implementation, central, regional and local grew during the implementation of the programme so as to provide an efficient administration of it.

The number of individuals employed on all levels of implementation has grown 11 times from 145 individuals (73 on central level and 72 on regional level) in 2001-2002, to 1.613 individuals (325 on central level, 440 on regional level and 848 on county level) in 2008-2009. An important increase was recorded in 2006 when for the consolidation of the organisational structure of the SAPARD Agency, according to the provisions of the Government Emergency Ordinance no. 1/2006, the number of positions was supplemented with 400 units based on the provisions of the Government Emergency Ordinance no.13/2006 related to the establishment, organisation and operation of the Paying Agency for Rural Development and Fishery (PARDF) through the reorganisation of SAPARD Agency, and 386 experts were taken from the delegated technical services of the Directorates for Agriculture and Rural Development.

Therefore, the PARDF structure in March 2006 had three levels of organisation: central, regional and county and a number of 1.262 positions.

The staff within PARDF has grown considerably since 2006 and in the implementation perspective of the National Rural Development Program (NRDP) in the next planning period 2007-2013, in capacity of accredited body for the implementation of the measures cofinanced from EAFRD, based on the article 6 of the EC Regulation no. 1290/2005. The internal structure of PARDF, organised according to the internal regulation of organisation and operation of PARDF, approved by the Order of the Ministry of Agriculture, Forestry and Rural Development no 113/2006, reflects the duties assigned to the Agency according to the Ministry's Order no. 137/2006, amended by Ministry's Order 669/2006.

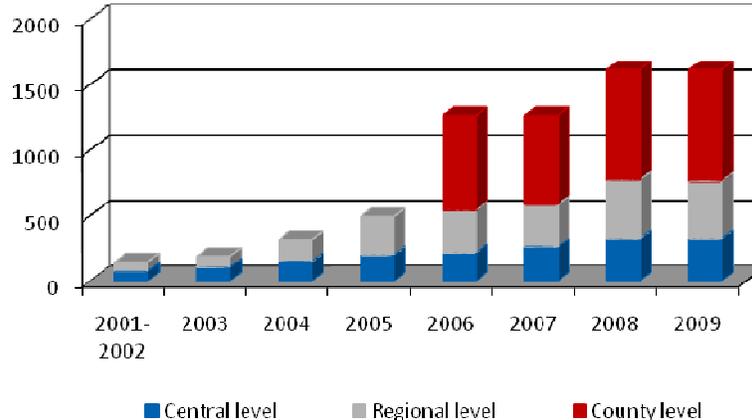
Particularly, as it is mentioned in the NRDP 2007-2013, *within PARDF, both on central level and regional and county level there is staff with assignments for the implementation of NRDP (both for the duties related to payment function, as well as for those resulted following the delegation by the MA NRDP) and staff for the implementation of the SAPARD Programme, and that with leadership functions has assignments for both programmes. The transition of the staff with assignments in the SAPARD implementation to the NRDP implementation, will be made step by step depending on the evolution in the implementation of the two programmes, according to the plan elaborated by PARDF for such purpose.*

Therefore, between September 2006 – December 2007, for the observance of the accreditation criteria according to the EC Regulation no. 885/2006 and for the proper fulfilment of the payment assignments for the SAPARD projects between the three levels of the Agency, depending on the needs was performed the re-allocation of a number of vacant positions related to the consolidation of the Services of Technical Inspection from regional level and of the Control Ex post Services, Monitoring and Payment Authorisation from central level. Moreover, for the preparation of the receipt flow of the NRDP projects were consolidated the Services of Preventive Financial Control and Payment Accounting by including experts with these assignments in the Services of Payment Authorisation from regional level to the 2 services from central level, so as to divide the duties according to the EC Regulation no 885/2006.

Finally, in 2008 the number of positions of PARDF was supplemented with 350 units according to the provisions of the Government Emergency Ordinance no. 65/2008, reaching 1.613 de positions. In 2009 there were more than 351 vacant positions.

The chart below shows the evolution of the number of individuals employed within the implementation structures of SAPARD programme between 2001 and 2009.

Chart. Evolution of the number of individuals employed within the implementation structures of SAPARD programme between 2001 and 2009



Source: Elaborated by the Evaluator

Taking into account the high number of recruitment and re-organisations of the staff, as well as the numerous amendments brought to the measures and procedures of implementation of the programme during its implementation, the measures of integration at the workplace of the newly employed individuals require an extraordinary importance. The initiatives to train the staff are considered essential, including training at the work place.

Training of the staff was provided during all the period of programme implementation, by the implementation, from own budget, of the training plans of the staff within the SAPARD Agency, by the organisation of various forms of training (seminars and training at the workplace) intended for the staff employed on regional level, with the participation of the staff in projects financed through the PHARE Programme, including in the perspective of implementing NRDP 2007-2013, as follows:

- between 2002-2003: the twinning project Phare 2000- RO-0006.08 "Agricultural and Rural Policy on National Level", the project Phare 2001- RO 01.06.07 and the project Phare 2000 – RO 0006.08.02;
- In 2004 the project Phare RO 001/0106.07.
- In 2008 the projects: Twinning RO2006/IB/AG/02 "Organisation of the suitable structures which should provide the absorption of the European funds for rural development, following accession"; Phare 2005 "Training of the staff within the institutions involved in the National Programme of Rural Development and of the Operational Programme for Fishery, as well as of the potential beneficiaries"; Phare RO 2004/016-772.03.02.01.02 "Training for the staff of the Managing Authority and of the other institutions involved in the process of planning and implementation of the system related to EAFRD and EFF".

The training focused on:

- The general themes related to: human resources, legal assistance, technical assistance, computerization and IT, internal audit, rural development, legislation, integration, management, communication, accounting, information security.
- The specific themes concerning the implementation of the SAPARD measures, including related to: the evaluation, selection, contracting, public procurement, authorisation, debt recovery, payments, the technical, financial control activity and anti-fraud.
- The specific themes related to the unitary application of the work procedures concerning the SAPARD and EAFRD Programme.

*Evaluator's comments*

The increase of the number of individuals employed in the implementation structures of SAPARD programme, mainly starting 2006, is considered suitable for a correct application of the principle of **decentralisation of the implementation of the financing programme**, the number of the staff employed was increased especially on regional and local levels.

As what the staff training is concerned, the assistance provided through the Phare programme, together with the initiatives promoted by the MA and PARDF leaderships, including the training at the work place, were essential to provide a continuous training of the staff.

In this respect, from the results of the inquiry performed among the MA and PARDF staff we see the fact that over 86% of the staff employed participated in the training initiatives at least once a year (21%) or several times (65,5%), while only 4% was trained only on employment and 5,6% was not trained at all.<sup>30</sup>

The Evaluator considers according to the best practices in the field of human resources administration the fact that most of the employees (about 97%) were assisted through the training at the work place, especially that over 91% of the respondents considers the training received as very useful<sup>31</sup>.

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<sup>30</sup> About 3% of the respondents mentioned the exact number of the trainings they participated, in more cases the answer was "twice" or "once but not on employment".

<sup>31</sup> About 4% of the individuals didn't respond and other 4% of the participants considers the training little or not useful at all.

## 5.2. Structure of the Programme: description of priorities and measures

NPARD 2000-2006 classified the priorities of Romania regarding the lasting development of the rural areas for the pre-accession period in four axes

1<sup>st</sup> Priority: Improving the access to markets and of the competitiveness of agricultural processed products

2<sup>nd</sup> Priority: Improving infrastructures for rural development and agriculture;

3<sup>rd</sup> Priority: Development of rural economy;

4<sup>th</sup> Priority: Development of human resources.

In Romania, these priority axes are supported by 10 measures (from a total of 15 provided in the Council Regulation (EC) no. 1268/1999) considered by the Romanian authorities as relevant for the rural development priorities as follows:

- Measure 1.1 "Improvement of processing and marketing for agricultural and fishery products";
- Measure 1.2 "Improving the structures for quality, veterinary and plant-health control, food for the quality of food stuffs and consumers protection";
- Measure 2.1 "Development and improvement of rural infrastructure";
- Measure 3.1 "Investments in the agricultural holdings";
- Measure 3.2 „Setting up of producers' groups";
- Measure 3.3 "Agricultural production methods designed to protect the environment and to maintain the countryside";
- Measure 3.4 "Development and diversification of economic activities generating multiple activities and alternative incomes";
- Measure 3.5 "Forestry";
- Measure 4.1 "Improvement of vocational training";
- Measure 4.2 "Technical assistance".

The specific objectives and the priority of the Programme to which responds each of the measures mentioned above are detailed in the following table

MEASURE	GENERAL OBJECTIVE
<b>PRIORITY AXIS 1</b>	
Measure 1.1 "Improvement of processing and marketing for agricultural and fishery products"	The general objective of the measure is the improvement of the efficiency of processing and of the marketing of agricultural and fishing products having as result high quality products which should contribute to the implementation of <i>the acquis communautaire</i> , to the increase of competitiveness and the added value of the products and at the same time to contribute to creating new jobs

MEASURE	GENERAL OBJECTIVE
	(Governmental Decision 177/2007).
Measure 1.2 "Improving the structures for quality veterinary and plant-health control, for the quality of food stuffs and for consumers protection"	Implementation of the <i>acquis communautaire</i> in the sanitary, plant protection and control of quality for food products for the contribution to the improvement of the quality of raw materials and of the processed agri-food products, as well as for the improvement of the competitiveness of the internal market and of the export perspectives (NPARD 2000-2006)
<b>PRIORITY AXIS 2</b>	
Measure 2.1 "Development and improvement of the rural infrastructure"	Improvement of the existent situation of the infrastructure from the rural area, improvement of life conditions and of the work standards and keeping the population in the rural space  Ensuring the remaking and preservation of the infrastructure for the prevention and protection against floods (Governmental Decision 177/2007).
<b>PRIORITY AXIS 3</b>	
Measure 3.1 "Investments in the agricultural holdings"	Based on the measure will be provided the financial support for investments in private agricultural holdings, vegetal and for animals breeding, by ensuring the rationalization and re-orientation of the production for the increase of products' quality obtained by the application of some competitive technologies and which could limit the environment pollution.  This measure will contribute to the improvement of the incomes of agricultural manufacturers, to attracting the youth in the agricultural activities by improving their living and working conditions, as well as by providing the hygiene conditions and animals' health (Governmental Decision 177/2007).
Measure 3.2 "Setting up of producers' groups"	The financial support offered for the building of the manufacturers groups by the association from free initiative of the agricultural, forestry and fishing manufacturers (NPARD 2000-2006)
Measure 3.3 "Agricultural production methods designed to protect the environment and to maintain the countryside "	The promotion of the introduction and continuous use of the agricultural practices which should be environment friendly and which should go further

MEASURE	GENERAL OBJECTIVE
	<p>than the Good Agricultural Practices mentioned in Appendix 3.</p> <p>Development of practical experiences, of the skills and abilities for the implementation of the agri-environment, both on administrative level and on the farm level</p> <p>Sensitization of the farmers concerning the environment issues (NPARD 2000-2006).</p>
Measure 3.4 "Development and diversification of economic activities generating multiple activities and alternative incomes"	Support for making and/or keeping the jobs and alternative income generation through the diversification of the rural activities related to the agriculture and forestry through rural tourism, other types of activities in the rural area, aquaculture, traditional crafts, sericulture, beekeeping, processing of berries and of the fruit trees, snails and frogs, medicinal and aromatic plants and also the support and development of the processing activities of the traditional products attested and/or ecological certified, made in the farms (Governmental Decision 177/2007).
Measure 3.5 "Forestry"	<p>Maintenance and development of economic, ecological and social functions from the rural areas, according to the provisions of the Regulation of the European Council no. 1268/1999 and article 7 of the European Commission Regulation no. 2759/1999.</p> <p>Promotion of the sustainable management and development of forests, as well as keeping the forest resources.</p> <p>Reaching the objectives established in the National Development Plan and in the Governance Programme 2001 – 2004 (NPARD 2000-2006).</p>
<b>PRIORITY AXIS 4</b>	
Measure 4.1 "Improvement of vocational training"	The assistance is granted for the professional training in order to contribute to the improvement of knowledge and professional skills of the farmers and of other individuals involved in agricultural, fishery and forestry activities, for the processing of the agricultural, fishing and aquaculture products, as well as in their conversion to non-agricultural activities. This objective is according to art. 2 of Regulation no. 1.268/1999/CE, adopted by the European Union Council with art. 5 of the Regulation no. 2.759/1999/CE, adopted by the European Commission and with the provisions of chapter III,

MEASURE	GENERAL OBJECTIVE
	title II of the Regulation no 1 1.257/1999/EC, adopted by the European Union Council (Governmental Decision 535/2003)
Measure 4.2 "Technical Assistance"	The goal of this measure is to support the implementation and the monitoring of the Programme and the possible subsequent amendments (Governmental Decision 535/2003).

The technical fiches for each Measure can be found in Appendix 2 of this Final Report.

### 5.3. Intervention logics of each measure

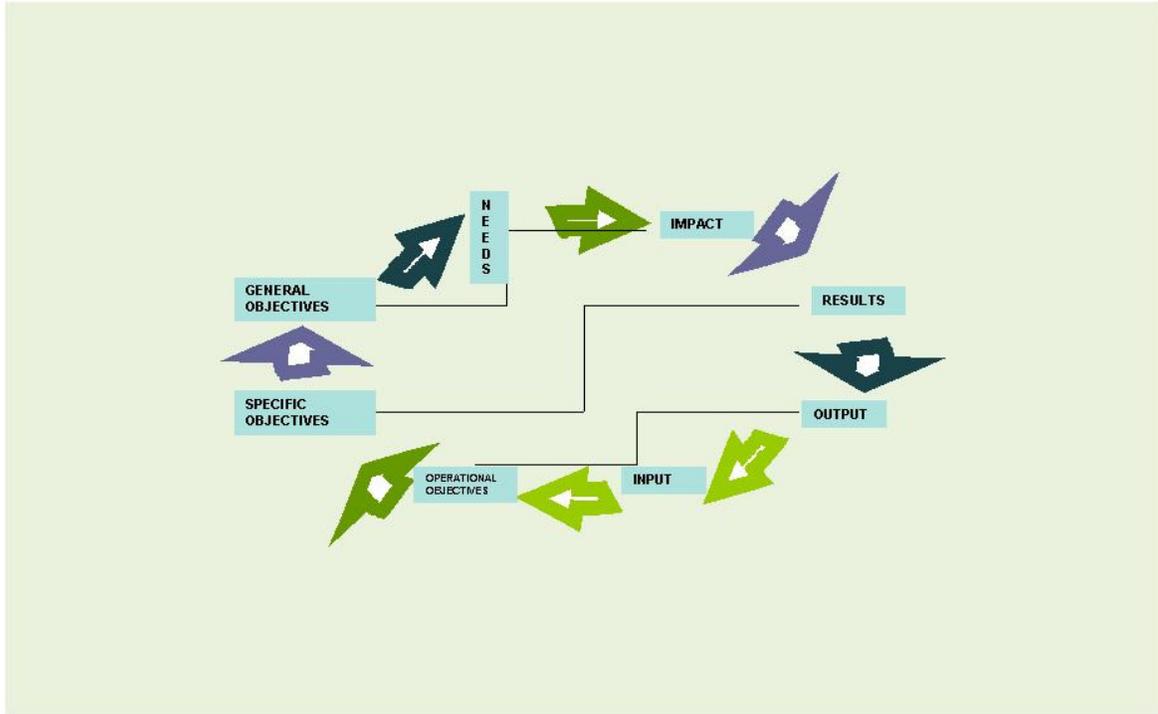
The inputs (resources) are financial or administrative. Throughout the Programme they generate output and fulfil the operations goals. The subsequent results are the immediate impact of the support, namely the contribution of the operational goals upon the specific goals.

Taking into account these concepts, represented by the chart below, in the following the elements of the intervention logics for each measure of the SAPARD Programme will be identified, namely:

- Identification of the needs for each measure
- Definition of inputs (financial allocation) and outputs (the number and value of the projects contracted and completed) within some synthetic tables for each measure

Then, in the following sub-chapter (sub-chapter 5.4) the Evaluator will make a more thorough analysis of the financial efficiency and in the following chapter (Chapter 6) the analysis of the results and the impact of each measure will be performed by answering the evaluation questions.

Chart: Intervention logics scheme



### 5.3.1 Needs Analysis by measure

**Measures 1.1 “Improvement of processing and marketing for agricultural and fishery products”, 1.2 “Improving the structures for quality, veterinary and plant health control, for the quality of food stuffs and consumers protection”, 3.1 “Investments in the agricultural holdings” and 3.2 “Setting up producers' groups”**

The performance level in the food industry has grown significantly, although there are many things to achieve regarding the restructuring, in order to help the sector become competitive and to observe the EU food safety and quality standards of the products and to establish effective manufacturing relations between the food industry and most of the farmers.

The traditional products are important in Romania and represent opportunities for economic growth, especially in the rural isolated or poor areas, if approached through strategic measures. Starting 2005, over 1.500 traditional Romanian products were acknowledged by MARD, most of them coming from the milk sector, dairy products and meat, but also from the milling industry and from beverage production sector. These products present characteristics specific to the areas they come from.

The food industry is an important sector of the Romanian economy, representing in 2002 about 17% of the total production of processing industries, 9% of the total national production and 7% of the GVA, and at the same time a relatively stable percentage (10%) of the number of jobs from the total of processing industries, although the absolute number of the employees dropped to nearly half in the period between 1990-2003. The production evolution between 1998-2005 varied from one category of products to another; therefore, were recorded increases to the meat products (+55%), meat cans (+62,9%), fresh dairy products (+73,9%), salad oils (+34,4%), cheese (+39,3%) and decreases in: meat (-29,2%), fruit and vegetable cans (-2,7%), milk (-16,5%), wheat flour and rye flour (-69,0%) (NIS, 2006), fact which suggests an orientation to the products with high value, in the last years, as a reaction to the higher demand. Combination of outputs with higher value with the limitation of the manpower led to a significant improvement of global productivity, which has grown over three times between 1990 and 2002 and then another 12% between 2000 and 2005.

The challenges which the food industry faces are numerous:

- Dual industry, formed of too many small companies, which don't benefit of scale economy in which the use of capacities has as result an average low level of labour productivity and of competitiveness. The concentration level of the food industry is low. Two thirds of the 11.000 enterprises from the food industry are small (with at least 9 employees) and about 1% are considered big (with over 250 employees). The rest of the factories produce mainly for the local market and their limited access to credits prevents them from modernizing and rationalizing the production systems. The relatively big companies (with over 50 employees) dominate a few sectors, like sugar, wine and especially the beer sector. As a consequence, despite of some significant improvements, the average productivity of the manpower (GVA/ employee) from the food industry remains low, around the value of 5.000 Euros.
- The issues related to the raw materials and the insufficiency of the investments from many processing factories from the Romanian agri-food sector lead to a **low level of conformity to the EU processing standards and to an improper level of food safety**. The enterprises from the food industry meet serious issues because of the fact that they don't observe the European standards (including the ISO and HACCP standards), for which are necessary important investments, of rehabilitation and modernisation. In June 2007, the conformity level from the production and processing sectors for meat show the fact that from the total of 425 units, 123 were observing the EU standards, authorized to participate in the intra-community trade, while the rest of 302 units received the approval to continue the activity for a transition period which ended on 31<sup>st</sup> of December 2009. In the milk and dairy products sector, from the total of 259 units, 52 are compliant to the EU standards, authorized for the intra-community

trade exchanges, while 207 were admitted for the transition period which, also ended on 31<sup>st</sup> of December 2009. Subsequently, the transition period given for the Accession Treaty was extended through Decisions of the Committee until 31.12.2011 for certain units from Romania both for milk (2009/852/CE și 2010/654/EU), and for meat (2010/89/EU, 2010/651/EU, 2011/9/EU), and according to the provisions of art. 28(1)c of the Regulation (EC)1698/2005 until 31.12.2014, providing the observance of the conformity to the community standards up to the end of this period (art. 19 of the Commission Regulation (EC) no. 1974/2006).

- **The wholesale trade and the trade channels which integrate the high number of small and medium holdings in the economic food sector**, are under-developed and face some major issues, including: lack of some standardized crop lots, high and homogeneous, especially in the commercial agricultural segment of medium level; the very high dispersion of the distribution system; lack of modern storage spaces, which should provide the continuity of supply with quality agri-food products; hesitation to the association phenomena, etc.

### **Measure 2.1 “Development and improvement of rural infrastructure”**

The rural areas from Romania are affected by the significant lack of infrastructure and some major deficiencies concerning its modernisation which affect both the economic development and the living quality. The most important needs are related to:

#### **Public roads infrastructure**

Only half of the communes have direct access to the road network the current road network serving only 3/5 of the total of rural population. In 2005, the public roads in Romania covered an area of 79.904 km, and of these 80% represented county roads and communal roads. In 2006, only 10,6% of the county roads and communal roads were modernised, of which 30,7% were covered in light pavement (*NIS, Romanian Statistical Yearbook, 2006*).

Regarding the case of the communal roads, at county level (NUTS 3) there is a low level of modernisation (only 3,41% of the communal roads are modernised), situation affecting the development of productive activities and the commercial exchanges. The share of the communal roads in total public roads, at county level varies between 11% in Calarasi county and 53% in Buzau county. From the total of communal roads a very low percentage is represented by modernised communal roads, varying between 0,28% in Harghita county and 25,15% in Olt county (counties Botosani, Buzau, Covasna, Tulcea and Vrancea do not have modernised communal roads) (*Source NIS [National Institute of Statistics] 2006*).

#### **Drinkable water supply**

Provision of a drinkable water network represents another major issue which conditions the living quality and the development of the economic activities in the rural area. Only 33% of the inhabitants from the rural environment (3.4 millions) have access to the water public network and concerning hot water network the case is even more critical (*MMDD 2004*). In such conditions, most of households (70%), use wells for the water consumption. In 2003, 43,6% of the total length of the drinkable water supply networks were in rural areas.

#### **Public sewage network**

The public sewage network is still in an incipient stage in rural environment, at the end of 2004, 373 communes (10% of the total of rural population) had a sewage network. (*NIS Romanian Statistical Yearbook, 2006*). The differences between the urban and rural areas are very big concerning the sewage infrastructure. In 2003, 93,2% of the pipes length was crossing the town and only 6,8% was crossing the villages.

### **Measure 3.3 “Agricultural production methods designed to protect the environment and to maintain the countryside”**

#### **Environment conditions – Main characteristics**

The Romanian rural space is characterized by natural resources found in a generally good preservation condition, by a high level of biodiversity, related to a diversity of habitats and ecosystems, forests and valuable agricultural landscape and at the same time the near future brings serious challenges: keeping these natural values and the fight against the climate changes.

It is estimated that natural ecosystems and the semi-natural ecosystems represent 47% of the national territory and 52 eco-regions were identified on the Romanian territory.

Among the unique characteristic elements of the natural environment from Romania there are the Carpathians mountains (65% of the Carpathians eco-region) and one of the most important humid areas from Europe, namely the Danube Delta (second in size from Europe). In the Carpathians and the Danube Delta may be found a series of endemic species, among which there is also a series of community interest species.

Agriculture restructuring, in the last 16 years going from a small number of big commercial farms to millions of small size family households led to the return of a traditional type of agriculture and therefore the application of some extensive practices. On the other hand, although there was a general tendency of extension and of reduced use of the chemical products in agriculture, a series of agricultural lands were affected by the incorrect use of chemical fertilizers and of pesticides, irrigations, drainage or the application of some improper mechanical works, reason for which the environment components (especially the soil and the water), on low areas, were seriously degraded.

Moreover, the decrease of the livestock led to the elimination of grazing, reason for which many meadows were degraded due to the appearance of the ecological succession, manifested by the appearance of some invasive species.

*Without having concrete information it is hard to estimate the part of agricultural land abandoned for agricultural activities, we can still assert that in some areas where this phenomenon has a higher intensity (for example, the area dedicated to traditional grazing or the areas with high level of emigration and the bordering areas of the big cities, where some agricultural lands are removed from the agricultural circuit usually to be used subsequently to some projects for the extension of some residential or commercial areas).*

#### **Less favoured areas (LFA) for agricultural activities**

Large areas of Romania show natural limitations of the agricultural productivity. They are mainly related to the Carpathians and the Danube Delta, but also to other areas with particularities of the soil or climate conditions. These agricultural less favoured areas are usually linked to a high level of biodiversity. Therefore, Romania holds large areas which may be considered less favoured areas (LFA) (under the (EC) Regulation 1257/1999), due to the unfavourable environment characteristics which limit considerably the conditions of use of the agricultural lands and which lead to lower agricultural productions. Mainly the mountains and the Danube Delta are noticed, but also other areas more compact in the south – east part of the country and more spreading in other areas like Moldova Plateau, Oltenia (the depression area and also the hill area), the Transylvanian Plateau – where specific natural characteristics lead to the decrease of natural productivity.

### **Measure 3.4 “Development and diversification of economic activities generating multiple activities and alternative income”**

#### **The structure of rural economy**

The rural economy shows significant differences depending on regions, the specific demographic, social and economic features. This difference is visible especially related to the poverty in the rural Romanian area, reflected in a low level of the lifestyle of population and in the lack of alternative income sources.

The specific activities, others than those agricultural and forestry in the rural space depend on the territorial distribution/trade and on other activities of the distribution chain. Thus, we may say that the main activities depend on the local natural sources available, on the relief and the area's traditions. Concerning the statistic data, as mentioned previously, the agriculture, the food industry and the forestry have a critical importance for the rural economy, presence of non-agricultural activities, related to the primary sector, especially the exploitation of the natural resources and the processing are insignificant in economic terms.

Generally, the non-agricultural activities from the rural area include: the mining, energy production and forestry, processing of food products, small commercial activities, services and crafts. Except for the mining industry and the energy industry, the non-agricultural activities are usually performed by micro-enterprises and small and medium enterprises (SME). Nevertheless, the rural economy is weakly diversified and still dependant on the agricultural activities, which has as result low incomes for the entrepreneurs from the rural areas.

Entrepreneurial development is weakly represented in the rural areas as effect of limited material resources, of poor education, of the low level of utilities, as well as of the phenomenon of temporary massive migration to urban areas or abroad.

The analysis of commercial activities, of handicrafts and services indicate the fact that the number of inhabitants from rural environment dealing with this type of activities is insignificant: in reality, these activities represent an important part of the unofficial labour market from the rural area. Nevertheless, the income which may be obtained from these sources covers only the necessary for the subsistence, there is the acute need of development of these activities which may contribute to the development of rural economy in its entirety. The small handicraft industry sector, which developed in the communist period under the cooperation form, recorded a major drop after 1989. Yet, in other member states was seen an important potential within the sector. Crafts activities are focused on the north-east, north-west and south Oltenia regions and to the lowest extent in the west.

### **Tourism**

Although rural tourism has seen increases, it shows a considerable potential which is not sufficiently valorised. The tourism sector in 2005, as opposed to 1998, recorded an important increase of the number of accommodation structures (+35,4%) and of the level of accommodation level (+0,95%), the number of the accommodation places in the bed & breakfasts reaching 22.061 in 2005, of which 50,5% in the rural area (*NIS Romanian Statistical Yearbook, 2006*).

The development of tourism in bed & breakfasts in the rural environment depends on the features specific of any regions, folklore, ethnographic regions and agricultural products.

At regional level the development of rural tourism depends very much on the existence and quality of the accommodation structures and on the presence of some varied activities, folklore, ethnographic /cultural inheritance and practising agriculture and viticulture (agri-tourism). So, the tourism specific to Bucovina (North - East) is the religious tourism, in Maramures (North - West), the architectural and ethnographic tourism in Transylvania (Centre) – recreational and cultural tourism, cuisine and wine arts and at the bottom of the Carpathians is practiced the fishing. The mountain and forestry areas from Romania provide a series of opportunities to practice tourism and mainly eco-tourism. Another important tourist area is the Danube Delta (South East), which also shows high natural value due to the bio-diversity and allows practising of different types of tourism (recreation, fishery, cuisine).

Nevertheless, the tourism sector in Romania is affected by lack of organisation, promotion and dissemination of information from the tourism centres and by the limited number of such centres which activate on local level. Rural tourism is not developed so as to meet the demands of the market both on national and international level and especially the tourism infrastructures don't respond to the requirements of the market both on national and international level, and mainly the tourism infrastructures both concerning the accommodation structures and the recreational ones from quality and quantity points of view.

### **Measure 3.5 “Forestry”**

The forests in Romania are among the best in Europe, with an effective administration history, by which they reached an excellent standard and a significant economical potential. Currently the sector contributes with over 9% to the country's exports, representing 3,5% of GIP in 2005 (USDA – FAS 2006). Taking into account the fact that the optimal area covered with wood for Romania is 32% and the fact that the wood industry doesn't work at maximum capacity, we may say that the sector has an important potential to contribute to the increase of the national economy and to the development of the rural area. Nevertheless, the aspects related to the retrocession of the lands, the human capital, the processing capacities and the legal and legislative framework have limited this potential so far.

Currently the woods volume is about 1.341 million m<sup>2</sup>, representing about 218m<sup>2</sup>/ha of the 6.742,8 thousands of ha of woods, about 29% are coniferous species, and 71%, deciduous. At present, 65% of the wooden areas (namely 4,2 million ha) are in public property and are administered by the National Forest Department, the rest being under private property.

The forests are characterized by relatively small and fragmentary holdings, fact which prevents reaching the economical potential of these areas in a lasting manner. This can be assigned to a great extent to the way the retrocession process took place, taking into account that initially the lots which had to be returned were fixed at limit of 1 ha; this level was subsequently increased to 10 ha, and then finally eliminated. In some cases the result is the holding by a single individual of three different bodies of woods, which are not joined together. Despite this issue, it is foreseen that about 65% of the total national area of woods will be returned to private individuals and to the local public authorities.

The development capacity of the economical potential from the forestry sector is limited and of weak accessibility to most woods. The forestry roads from Romania cover less than 42.000 km, which mean about 6,5 m/ha, reflecting the lowest density in Europe. As a result, over 2 million ha of woods are practically inaccessible (USDA-FAS 2006). The case leads to an exceeding of the normal level of cutting in the accessible areas, in parallel with the use of some inefficient technologies and without sustainability in the inaccessible areas. Moreover, the weakly maintained roads bring issues related to environment protection, thus contributing to the soil erosion during the exploitation activities. Therefore, it is necessary the increase to an acceptable level of the forestry roads network, as well as their maintenance so as to diminish these negative effects.

Finally, the wood processing sector has a significant growth potential, although it presents a series of important constraints, related to the processing capacity. The availability of the raw materials, the relatively low cost of manpower and the closeness to the important eastern European markets are the basis of the development potential of the wood industry in Romania (USDA-FAS 2006). The greatest part (75%) from the total of 15.761 m<sup>2</sup> cropped in 2005 was commercialized, the rest of 25% was used for own consumption (NIS, 2006). The main user of this raw material is the primary processing sector for wood (including furniture manufacturers), which employ over 84.000 individuals (NIS, 2006). The labour productivity from this sector is growing and it is estimated that it has grown with 43% in the period between 2000-2005, in the case of the wood processing sector and of the wooden products and with 33% in case of furniture industry (NIS, 2006). Still, there are some fears regarding the development capacity of the sector, taking into account the fact that the machinery used are outdated and inefficient, determining an inconstant quality of the products.

Beyond their economic value, the forests in Romania have an important potential for the point of view of multifunctional use of the lands, representing both a source of goods of social nature and advantages related to environment protection. Over half (52%) of the forests in Romania are classified as having special functions of protection (soil protection, water protection, climate protection, preservation of wild fauna and recreational functions), while the rest have functions of production and protection. Other important functions of the forests in Romania include: recreation and hunting, protection against floods (through the regulation of the water courses), preservation of biodiversity (mainly of the fauna habitat), attenuation of climate changes (by soil carbon sequestration) and supply of non-wooden forest products (berries, seeds, mushrooms etc).

#### Measure 4.1 “Improvement of vocational training”

In the rural space, there is a discrepancy regarding the abilities/skills necessary for the sustainable development of the economic activities and those held by the rural population. This gap should be covered by professional training and a series of other measures like support for economic activities, training and guidance of entrepreneurs. One of the target groups specific is that of the agricultural workers with a low educational level, who require training in a series of domains, from technology and business up to general interest issues, like the environment health and safety at the work place.

Moreover, in the forestry field, the process of retrocession of the forests involves the fact that for more forest private owners the administration of the woods is a relatively new field and it could require significant efforts of preparation and counselling, so that these individuals could administer the woods in a lasting manner. Although the formal educational system provides a variety of courses in the forestry field and industry, by professional training courses pre- and post-graduation, it seems the training programs or the courses packages are missing – which should address to new private owners.

#### 5.3.2 Inputs and outputs by measure

Taking into account the needs identified, concisely described in the previous sub-chapter the following amounts have been granted and contracted and the following projects have been completed, per measures and sub-measures of the Programme.

#### Measure 1.1 “Improvement of processing and marketing of agricultural and fishery products”

SUB-MEASURE	Allocation 2000-2006 (Euro)	No. of contracted projects	Value of contracted projects (Euro)	Completed contracts
Meat	87,288,054	197	174,703,218	192
Milk and dairy products	87,288,054	91	48,469,278	91
Cereals	37,951,328	65	41,250,560	63
Oilseeds	11,385,398	3	3,104,913	3
Wine	34,156,195	44	27,996,535	43
Fruit and vegetables	60,722,125	40	30,926,482	39
Fish and fishing products	22,770,797	18	10,288,695	18
Sugar	15,180,531	-	-	-

Textile plants	22,770,797	1	668,145	1
TOTAL	379,513,279	459	337,407,826	450

**Measure 1.2 “Improving the structures for quality veterinary and plant health control, for the quality of food stuffs and consumers protection”**

SUB-MEASURE	Allocation 2000-2006 (Euro)	No. of contracted projects	Value of contracted projects (Euro)	Completed contracts
Sanitary – veterinary control	37,791,593	17	29,883,203	16
Plant-health sector		2	2,173,096	2
Foodstuffs quality control		1	1,641,336	1
TOTAL	37,791,593	20	33,697,636	19

**Measure 2.1 “Development and improvement of rural infrastructure”**

SUB-MEASURE	Allocation 2000-2006 (Euro)	No. of contracted projects	Value of contracted projects (Euro)	Completed contracts
Roads in rural areas	339,080,219	442	334,229,944	441
Drinking water supply in centralised network in rural areas	237,356,154	292	183,152,646	292
Sewage in centralized system in rural areas	65,103,402	91	74,627,655	91
Infrastructure for prevention and protection against floods	36,620,664	22	27,056,490	19
TOTAL	678,160,439	847	619,066,736	843

**Measure 3.1 “Investments in agricultural holdings”**

<b>SUB-MEASURE</b>	<b>Allocation 2000-2006 (Euro)</b>	<b>No. of contracted projects</b>	<b>Value of contracted projects (Euro)</b>	<b>Completed contracts</b>
Field crops	49,223,787	1,213	110,053,117	1,209
Horticulture (of which floriculture 1,5%)	20,725,805	76	2,975,615	76
Vineyards	20,725,805	62	7,295,247	62
Fruit cultivation	20,725,805	71	5,006,016	71
Greenhouses	10,362,903	44	5,283,974	44
Dairy cows/buffaloes	36,270,159	230	31,063,456	223
Cattle rearing and fattening	36,270,159	15	3,247,705	15
Sheep/goat farms	7,772,177	28	3,927,495	23
Young muttons fattening farms	7,772,177	10	2,122,949	9
Pig farms	25,907,256	87	30,175,156	86
Poultry farms	12,953,628	81	26,494,632	80
Other vegetal farms and farms for the breed of animals and poultry specialized in obtaining products for human consumption.	10,362,903	18	2,892,330	18
<b>TOTAL</b>	<b>259,072,565</b>	<b>1.935</b>	<b>230,537,693</b>	<b>1,916</b>

**Measure 3.2 "Setting up producers' groups"**

<b>SUB-MEASURE</b>	<b>Allocation 2000-2006 (Euro)</b>	<b>No. of contracted projects</b>	<b>Value of contracted projects (Euro)</b>	<b>Completed contracts</b>
Cereals and technical plant	1,000,000	-	-	-
Medicinal and aromatic plants		-	-	-
Specialized crops (Tobacco, Hops)		-	-	-
Vegetable and potatoes		-	-	-
Fruits, including grapes		-	-	-
Wine grapes		-	-	-
Mushrooms		-	-	-
Ornamental flowers and plants		-	-	-
Milk		3	75,115	
Meat		-	-	-
Eggs		-	-	-
Honey and apiarian products		-	-	-
Fishing products		-	-	-
Forestry products		-	-	-
<b>TOTAL</b>	<b>1,000,000</b>	<b>3</b>	<b>75,115</b>	<b>0</b>

### Measure 3.3 “Agricultural production methods designed to protect the environment and to maintain the countryside”

SUB-MEASURE	Allocation 2000-2006 (Euro)	No. of contracted projects	Value of contracted projects (Euro)	Completed contracts
Preservation of soil and protection against erosion	739,802	-	-	-
Preservation of biodiversity by traditional agricultural practices	369,901	1	14,250	-
Organic Farming	739,802	-	-	-
TOTAL	1,849,504	1	14,250	0

### Measure 3.4 “Development and diversification of economic activities generating multiple activities and alternative income”

SUB-MEASURE	Allocation 2000-2006 (Euro)	No. of contracted projects	Value of contracted projects (Euro)	Completed contracts
Agricultural services	1,684,411	2	188,524	2
Rural tourism	21,055,133	628	52,727,268	595
Other types of tourism activities in rural areas	16,844,107	63	5,053,667	63
Handicrafts	8,422,053	18	1,203,674	17
Aquaculture	6,737,643	16	1,839,807	16
Other activities	8,422,053	330	5,719,993	324
Processing on farm level of the attested traditional products and/or ecologically certified	21,055,133	1	35,090	1
TOTAL	84,220,533	1,058	66,768,023	1.018

**Measure 3.5 “Forestry”**

<b>SUB-MEASURE</b>	<b>Allocation 2000-2006 (Euro)</b>	<b>No. of contracted projects</b>	<b>Value of contracted projects (Euro)</b>	<b>Completed contracts</b>
Afforestation	7,445,101	3	100,732	3
Nurseries	3,722,550	1	23,892	1
Investments for the improvement of primary processing of wood and marketing of forestry products	11,167,651	34	6,030,960	34
Forestry roads	14,890,201	75	56,930,506	75
Forest exploitations	37,225,503	-	0.00	-
<b>TOTAL</b>	<b>74,451,007</b>	<b>113</b>	<b>63,086,090</b>	<b>113</b>

**Measure 4.1 “Improvement of vocational training”**

<b>SUB-MEASURE</b>	<b>Allocation 2000-2006 (Euro)</b>	<b>No. of contracted projects</b>	<b>Value of contracted projects (Euro)</b>	<b>Completed contracts</b>
Improvement of vocational training	3,949,239	5	2,901,045	5

**Measure 4.2 “Technical assistance”**

<b>SUB-MEASURE</b>	<b>Allocation 2000-2006 (Euro)</b>	<b>No. of contracted projects</b>	<b>Value of contracted projects (Euro)</b>	<b>Completed contracts</b>
Technical assistance	1,441,406	10	1,374,498	10

## 5.4. Budget forecast for the entire period, costs and financial efficiency

### 5.4.1 Introduction

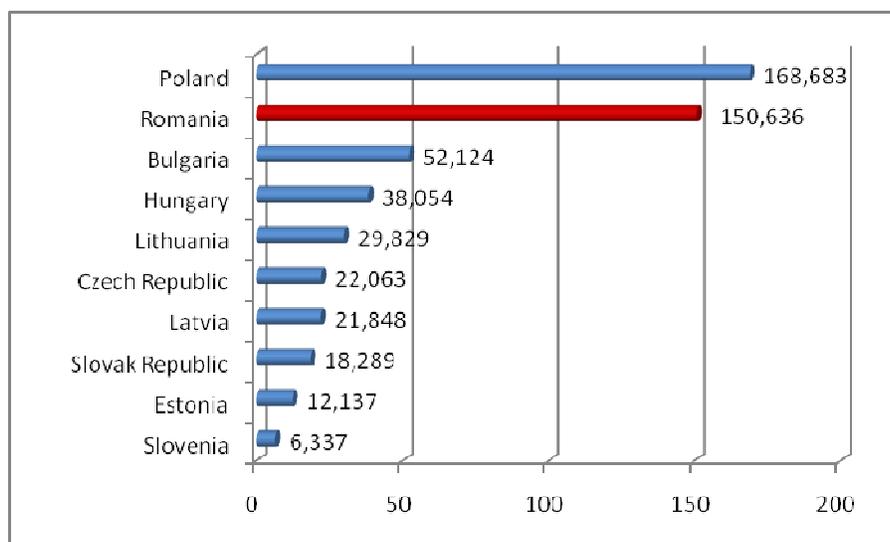
The analysis of the financial progress is an extremely effective support for the quality-quantity evaluation of the evolution of the Programme. In fact, the aspect of financial performance offers a clear indication as opposed to:

- ✓ The measurable results of the initiative taken,
- ✓ The incidence of the Programme as opposed to the strategic objectives defined at community and national level,
- ✓ The results obtained through the performance of the projects,

Therefore, the financial analysis is a fundamental instrument which provides direct information upon the method of action of the Public Administration, referring mainly to the efficiency and effectiveness in administration and implementation of the Programme. The following analysis is focused on the information obtained from a secondary source made available by the Managing Authority and by the former SAPARD Agency, resulted from the monitoring system of the Programme and included in the Final Report regarding the implementation of the SAPARD Programme in Romania from June 2010.

For the framing of the Romanian national Programme in the wider context of the community strategies which relate to the consolidation of the common agricultural policies, the analysis of the financial evolution of the Programme in Romania starts by establishing the annual budget assigned indicatively to each beneficiary country, of the SAPARD financial instrument from the European Commission in Decision (EC) no 595/1999. Based on this decision, indexed at the prices from 1999, Romania has a total annual financing with a value over 150 million Euros, the highest following that of Poland.

Chart: Maximum value of annual financial allocation for each beneficiary country (1999)(Million of Euro €)

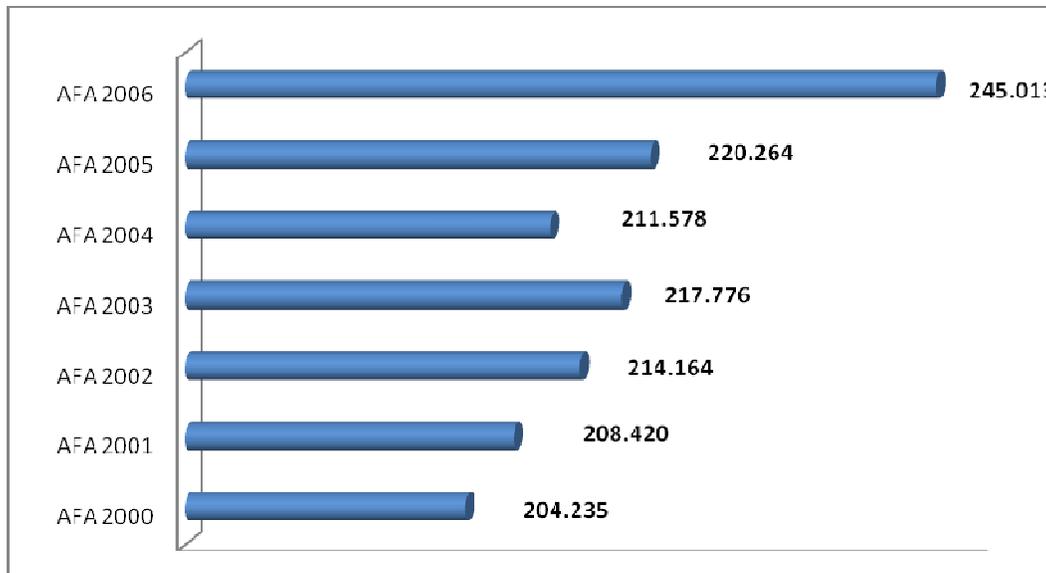


Source: Decision (EC) 595/1999 regarding the indicative allocation of the community annual financial measures within the pre-accession measures for agriculture and rural development, 20<sup>th</sup> of July 1999

Beyond the allocation of the general community budget, the value of the funds assigned by the EU through SAPARD to the beneficiary countries was established on an annual basis by the financial agreements concluded between the EU and each beneficiary country thus allowing the price indexing for the reference period.

The chart below shows the total value of SAPARD 2000-2006 Programme, amounting to 1,521,449,565 Euro, divided per year according to the amount established in the annual financial agreements.

*Chart: annual financial allocation according to the annual financial agreements (values in million Euros)*

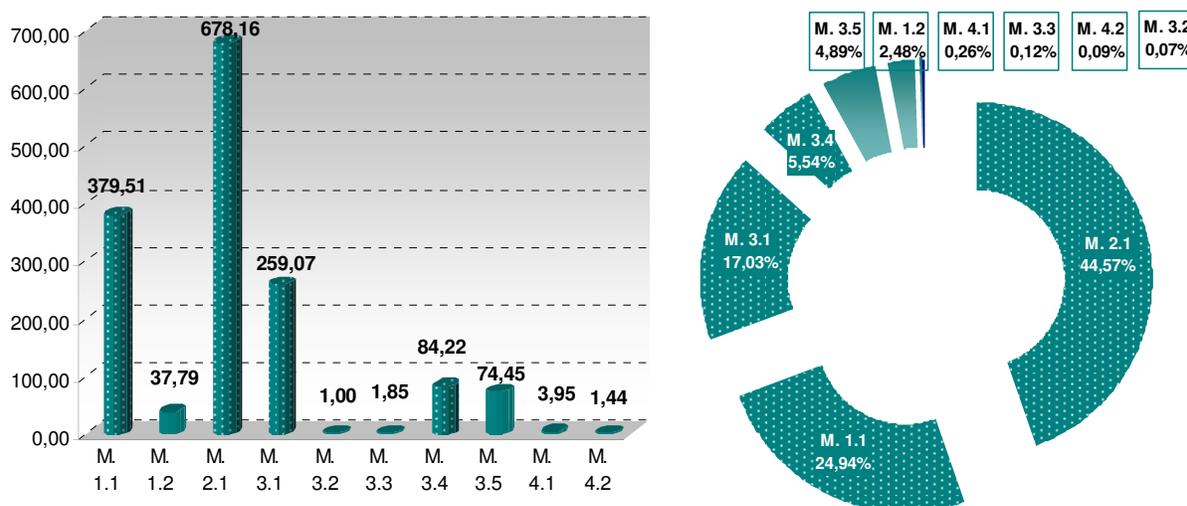


*Source: Final report regarding the implementation of SAPARD Programme in Romania, June 2010*

#### 5.4.2 Budget forecast SAPARD 2000-2006 and commitments until 2009

The chart below shows the distribution of financial allocation for the measures of the Programme for the entire period 2000 – 2006.

Chart Financial distribution of the Programme for 2000-2006, in absolute values (mil. Euro) and percentages



Source: Final report regarding the implementation of SAPARD Programme in Romania, June 2010

From the chart representation we can see how Romania assigned most of resources 2000-2006 in the favour of Measures 1.1, 2.1, 3.1 and 3.4, focusing its planning efforts on:

- actions aiming at improving and optimising the production flows and modernisation of the local agriculture and fishing sectors, by assigning about 25% from the total volume of the programme for Measure 1.1;
- infrastructure interventions for the performance of the street networks and improvements of roads, water lines and sewage networks which are placed in rural areas, assigning almost 45% of the total resources planned for Measure 2.1;
- modernisation of the technology used in agriculture to limit the production costs and to provide an increase of the incomes resulted from agricultural activities, with an investment of about 17% of the total resources planned for Measure 3.1;
- support for the creation and maintenance of jobs through the diversification of the activities, investing about 5% of the total resources planned in favour of Measure 3.4.

For the rest of the Measures the Programme assigned resources for a total of 13% divided into:

- 2.48% of the total resources planned for Measure 1.2;
- 0.07% of the total resources planned for Measure 3.2;
- 0.12% of the total resources planned for Measure 3.3;
- 4.89% of the total resources planned for Measure 3.5;
- 0.26% of the total resources planned for Measure 4.1;
- 0.09% of the total resources planned for Measure 4.2.

Table: Public allocation per measures and EU contribution, % public cost

	Public cost	EU contribution	% Public cost
Measure 2.1	678,160,439	524,809,099	44.6%
Measure 1.1	379,513,279	285,868,434	24.9%

	Public cost	EU contribution	% Public cost
Measure 3.1	259,072,565	195,418,480	17.0%
Measure 3.4	84,220,533	63,255,547	5.5%
Measure 3.5	74,451,007	55,838,255	4.9%
Measure 1.2	37,791,593	28,343,695	2.5%
Measure 4.1	3,949,239	2,961,929	0.3%
Measure 3.3	1,849,504	1,387,128	0.1%
Measure 4.2	1,441,406	1,153,125	0.1%
Measure 3.2	1,000,000	750,000	0.1%
<b>Total</b>	<b>1,521,449,565</b>	<b>1,159,785,692</b>	<b>100</b>

Source: Final report regarding the implementation of SAPARD Programme in Romania, June 2010

As it could be noticed, the first three measures (2.1/1.1/3.1), concentrated almost 87% of SAPARD Romanian funds, this elevated concentration of the resources being already defined in the planning stage. The decision not to distribute the resources available from a multitude of initiatives found its origin and coherence in the context analysis, defined in the ex-ante stage where this structural delay was presented concerning the infrastructural system and the competitiveness of the agri-food Romanian sector.

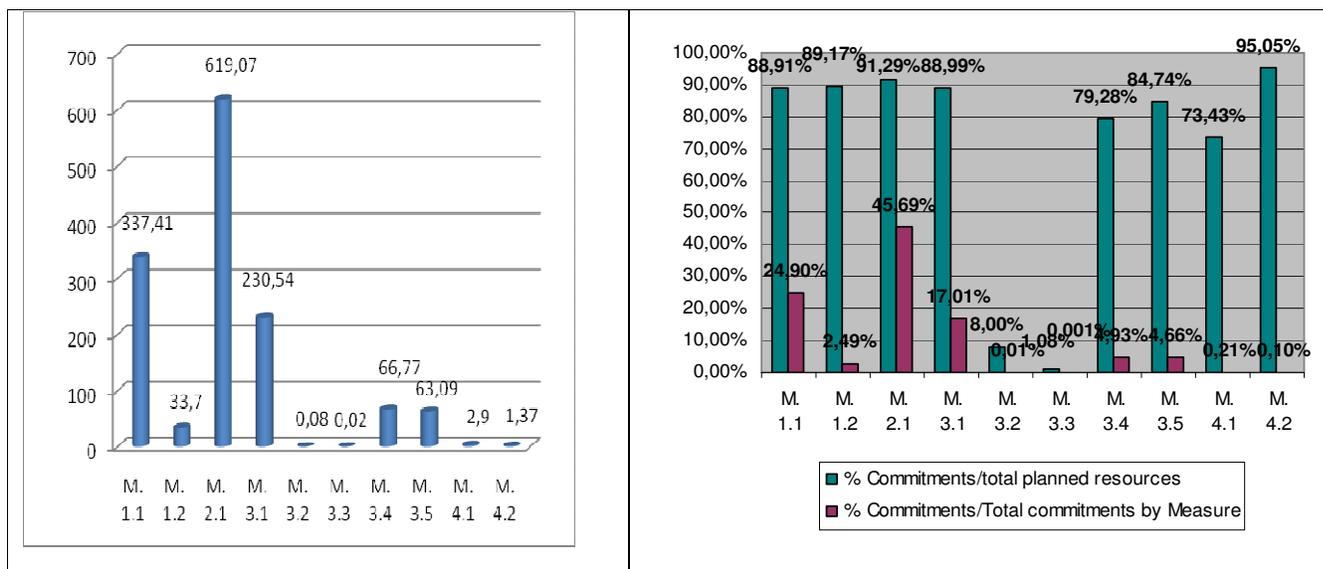
Therefore SAPARD programme, as opposed to a context characterized by a multitude of necessities and priority requirements responded with interventions focused on certain major issues:

- rural infrastructure and creation of services for population;
- competitiveness in the agri-industrial sector;
- productivity of agricultural enterprises.

Moreover the increased focus on these measures represented the guarantee of the possibility to obtain significant results, this being the dominant theme of the Programme, and indeed the focusing logic worked out, standing out along the years through the approval of the various financial plans.

Facing the financial allocation provided for the entire period of 2000-2006, the Programme (statement on 31<sup>st</sup> of December 2009), employed resources in the value of about 1,354,929,000 Euros, which correspond to 89.06% of the total budget. In relative terms, except for Measures 3.2 and 3.3 which utilized resources under 10%, the rest of the measures recorded values of the resources assigned over 75%. In absolute terms measures 1.1, 2.1, 3.1 and 3.4 absorbed the greatest part of the total of resources employed, recording commitments, namely of 24.90% (Measure 1.1), of 45.69% (Measure 2.1), of 17.01% (Measure 3.1) and of 4.93% (Measure 3.4) of the total resources assigned.

Chart: Share of commitments undertaken regarding the Measures of the Programme and percentage estimation



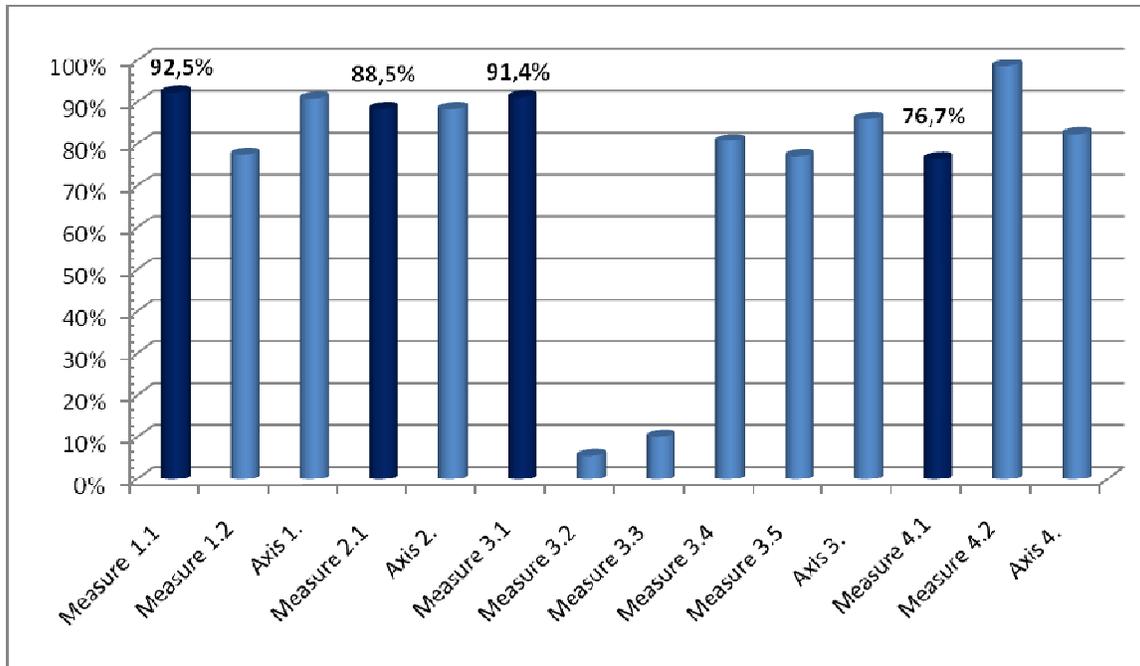
Source: Final report regarding the implementation of SAPARD Programme in Romania, June 2010

### 5.4.3 Expenditure

The payments made in the Programme were 1,348,015 million Euros, thus absorbing 88.60% of the total of funds made available in the period between 2000 and 2009.

As it can be seen from the chart below the absorption percentage of the funds or of the payments made regarding the Measures of the Programme during the entire planning period, is clearly demonstrated the efficiency of costs of the entire Programme and a good performance of the measures on which Romania tried to focus the strategic action. In fact, the measures 1.1, 2.1, 3.1 and 3.4, which had an initial higher budget recorded the best performance of financial implementation; simultaneously within the Measure 4.2 Technical Support were paid 98.79% of the total resources available, which represents an important information upon providing efficiency and effectiveness for the implementation of the Programme.

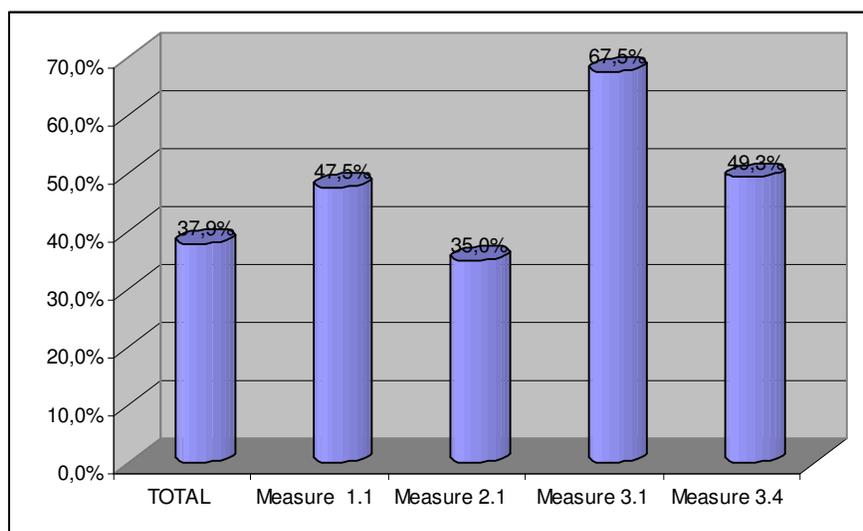
Chart: Percentage of payments as opposed to the financing plan/ Measure and Axes 31.12.2009



Source: SAPARD Monitoring System

Again, through the analysis of financial evolution it is useful to notice the distribution of the payments from the resources assigned through the budget line for projects defined as “calamity” as result of the floods which occurred in April – September 2005. Within SAPARD programme Romania benefited by resources co-financed by the European Union in a different form (85% instead of 75%) as opposed to the rest of the Programme’s resources. The total of resources assigned is over 186 M €. As we may point out in the following chart the costs during this ulterior financing line was not as efficient as it was for the entire programme.

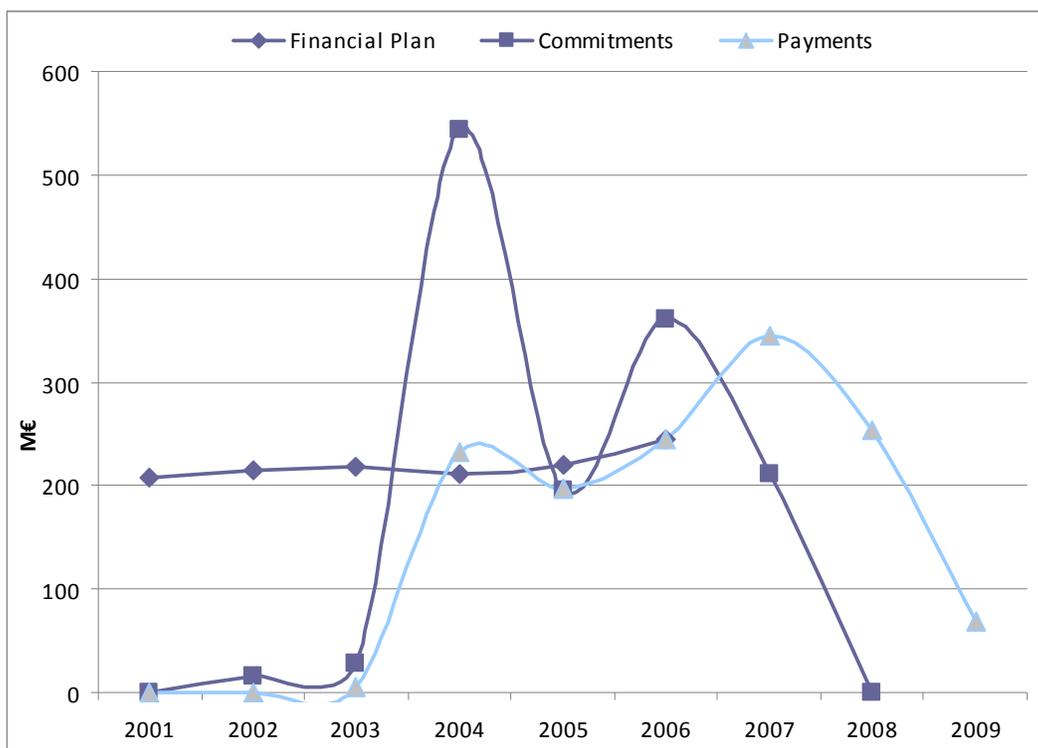
Chart – Payments for projects “calamity”



Source: SAPARD Monitoring System

Concretely, on 31/12/2009 for the four Measures affected by floods the funds assigned were of 70,548,834 Euros, which corresponds to 37.9% of the cost planned at the beginning for this additional financing. Most of the delays were recorded on Measure 2.1 which received most of the resources assigned (over 160 M€). Finally, an analysis of the evolution of the system of public costs, of the commitments and payments underlines the strategy of the Managing Authority for the proper implementation of the Programme.

Chart: Evolution of costs, commitments and payments /year



Source: SAPARD Monitoring System

\* value of the projects approved in 2008 is 216.864 Euro, but because of the scale from the vertical axis the value results very close to the horizontal axis.

Basically, the chart above shows the three flows which define the financial monitoring system of the SAPARD Programme.

If the financial plan, as expected, would have been carried out in a nearly constant manner and had a distribution more or less equal during the 6 years of implementation (with about 200 million € per year), the payments and especially of the commitments undertaken showed strong accelerations and delays.

In fact, in 2004 were approved projects in the amount of about 550 mil. €, representing about a third of the entire budget of the Programme, thus accentuating the very good capacity of administration from the Managing Authority. Also, another significant year was 2006, when the Managing Authority approved financing for final beneficiaries of about 370 million Euros<sup>32</sup>.

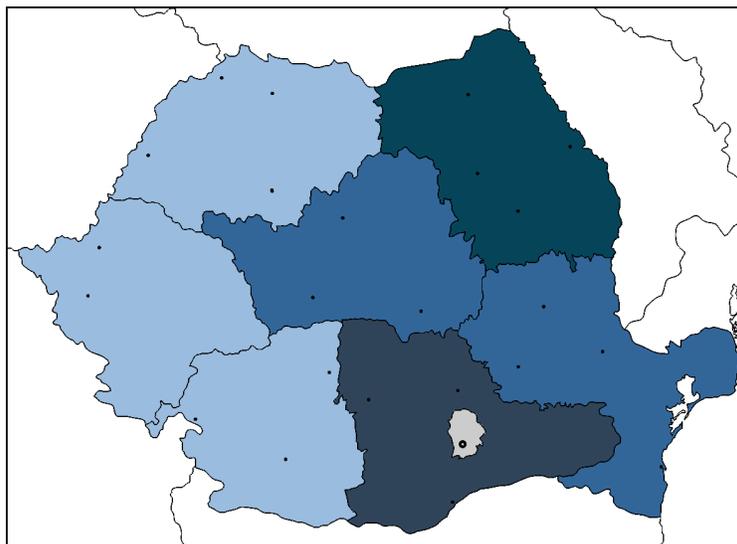
<sup>32</sup>Years 2004 and 2006 were mentioned as being the most significant from the point of view of the value of the contracted projects.

We should also notice that the payments are increased significantly in 2004, which could be considered the debut year of the Programme, so as to remain constant between 2005 and 2006 with an expense a little over 200 million €, and in 2007, were paid over 330 million € for the financed projects, this was also for the entry into action of the Paying Agency then closing with the balances of the projects until 31/12/2009.

Again we notice the performance of the Managing Authority to coordinate the financial flow, despite the delays accumulated, this succeeded successfully to coordinate the financial flows and to pay about 90% of the resources allocated by the European Union.

The last analysis takes into consideration the distribution per regions of the payments related to the SAPARD Programme. This type of analysis intends to point out the capacity of the SAPARD Programme for the re-distribution of the resources on the Romanian territory, but for a more detailed analysis of the resources per regions in the favour of each measure refer to the sheets of the Measures attached to this Report, where is presented a summary of the general budget distributed on the 8 regions from Romania.

Map - Payments of SAPARD/Region



Source: Elaborated by the Evaluator

Key:

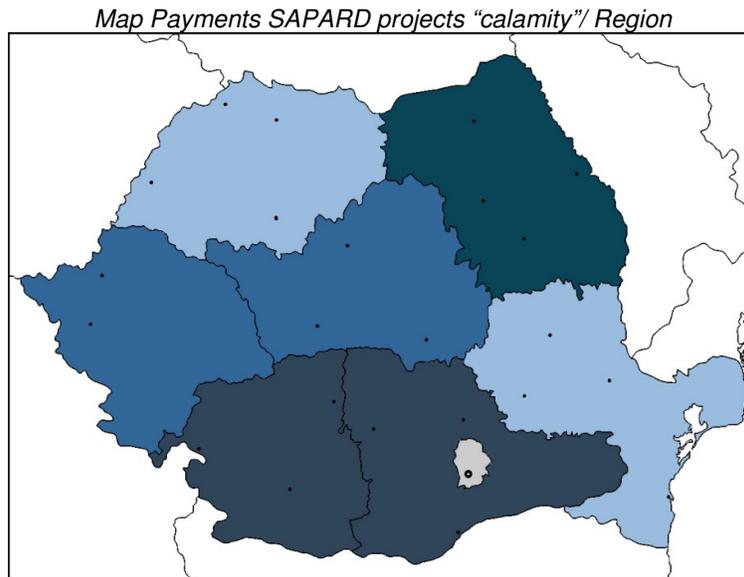


It should be remarked that the North East and South Muntenia regions received most of the SAPARD resources between 2000-2009, with values which significantly exceeded 200 M €. Namely, for the North East and South Muntenia regions, from the total of costs made within SAPARD, 60% and 49% were due to the investments made by Measure 2.1, related to the rural infrastructure.

They are followed by the South East and Centre regions which received between 13% and 15% of the total resources of the Programme, being regions with an important production and processing capacity for agricultural products spending 26% namely 32% of the total funds received for Measure 1.1 namely for the improvement of the competitiveness of the agri-industrial sector.

Subsequently the regions South West Oltenia, West and North West which received about 120 million € each in the same planning period and last Region Bucharest – Ilfov, which benefited of SAPARD funds of only 38 million €, mainly (over 63%) destined to investments in the agri-industrial sector through Measure 1.1

Another relevant aspect is the distribution of resources destined to projects affected by floods for each region, distribution which may be seen in the following map:



*Source: Elaborated by the Evaluator*

Key:



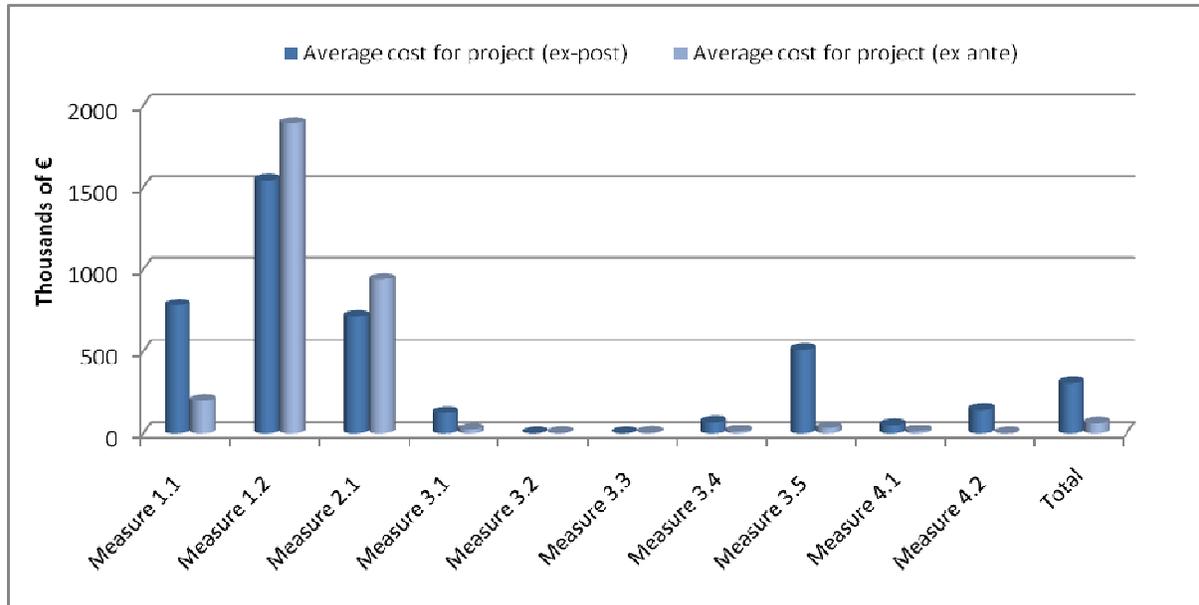
The concentration expenditures in regions 1, 4, 3, the most affected by the floods beginning from 2005, should be remarked.

#### 5.4.4 Financial efficiency

The analysis of the efficiency of the expenses is focused on the evaluation of the manner the programmes resources are used and on establishing the typology of unitary costs which are sustained to reach the anticipated performances, results, an impacts. Therefore, in order to achieve a correct and detailed analysis of these issues, there is a referral to Chapter 6 of this Report where the definitive replies to the Commune Evaluation Questions are given.

On the other hand, in this paragraph the unitary costs for each executed project has been analysed, making a comparison between the unitary expenses foreseen in the programming phase, and the effective average expense borne for each initiative.

The unitary expenses per project, target values and ex-post values



It is noticeable how the unitary costs for each initiative are quite varied between the anticipated and the actually borne costs. This could happen due to the concentration of the expense: a small number of initiatives were financed with a bigger financial value as compared to the anticipation in the programming phase.

Excluding Measure 2.1 which had actually smaller unitary costs than anticipated, about 25% for each project, for all the others measures the unitary costs for each initiative were categorically higher and, as an average for the SAPARD projects, the unitary costs were about 400% bigger than defined in the programming phase.

Finally, as for the physical/procedural progress, there is a referral to the analysis of performance indicators, and the result mentioned in the sheets of every attached Measures.

The number of approved applications for financing is detailed below, in relation with the applications anticipated by the Paying Agency.

Table with terminated projects. 31.12.2009

Measure	Terminated Projects*	Target projects	Execution capacity
	A	b	a/b
Measure 1.1	450	1,900	23.7%
Measure 1.2	19	20	95.0%
Measure 2.1	843	724	116.4%
Measure 3.1	1,916	11,000	17.4%
Measure 3.2	0	700	0.0%
Measure 3.3	0	600	0.0%
Measure 3.4	1,018	7,150	14.52%

Measure	Terminated Projects*	Target projects	Execution capacity
Measure 3.5	113	2,400	4.7%
Measure 4.1	5	305*	2%
Measure 4.2	10	n.a.	n.a.
<b>Total</b>	<b>4,374</b>	<b>24,799</b>	<b>17.63%</b>

\*source: monitoring tables, annex 5

It is clearly noticeable that the later concentration of resources for the benefit of only a few categories of beneficiaries for all the SAPARD Measures, except for Measure 2.1 which succeeded in financing projects for a larger number of authorities than expected in the debut phase of the initiative. For all the remaining measures only about 18% of the contracting capacity was covered. This aspect shows how, in the implementation phase of the Program, larger initiatives were preferred, due to a larger capacity to absorb funds. As noted before, the dynamics of concentration of the resources, as compared to the anticipations in the programming phase, represented the dominant phenomenon in terms of the physical progress of projects implementation. However, this fact did not restrict the reach of certain results or impacts which were doubtlessly more than positive. In fact, in the implementation of the Programme, the promotion of representative projects was chosen, since they have a role of lever on the economy in the involved areas.

As a conclusion, the SAPARD Programme concentrated the expenses on a smaller number of projects, as compared to the anticipations, which had however a larger capacity of generation of direct and indirect positive effects, both in terms of employment, and in terms of the life quality in rural areas.

#### 5.4.5 Financial Progress

At the end of this chapter, the Evaluator considers that it is useful to present a synthesis table of the financial development of the initiative.

The following table presents two synthesis indices for the evaluation of the financial system created by the Managing Authority in the implementation period of the Programme for each reference Measure. The proposed table is intended to represent a synthesis and analysis instrument, an abstract of the financial progress indicators, and can help in a general form to the understanding of the achievement of different Romania SAPARD 2000-2008 measures.

In detail, the two indicators elaborated by the Evaluator are as follows:

- a) **The planning capacity**, representing the relation between the commitments carried out by the Managing Authority and the Financial Plan expressed in percentage value (%);
- b) **The execution capacity (implementation)**, given by the relation between the payments on 31/12/2009 and the SAPARD Financial Plan, expressed in percentage value (%).

Table: SAPARD Financial Progress indicators – Romania 31.12.2009

Measure	Planning Capacity	Implementation Capacity
	A	b
Measure 1.1 Processing and marketing of agricultural and fishery products	88.9%	92.5%
<i>Affected by floods</i>	49.1%	47.5%
<i>Not affected by floods</i>	90.2%	94.0%
Measure 1.2 Improving the structures for quality veterinary and plant-health controls, foodstuff quality and consumers protection	89.2%	77.7%
<b>Axis 1. Improving the access to markets and of the competitiveness of agricultural processed products</b>	88.9%	91.2%
Measure 2.1 Development and improvement of rural infrastructure	91.3%	88.5%
<i>Affected by floods</i>	36%	35.0%
<i>Not affected by floods</i>	109%	105.3%
<b>Axe 2. Improving infrastructures for rural development and agriculture</b>	91.3%	88.5%
Measure 3.1 Investments in agricultural holdings	89.0%	91.4%
<i>Affected by calamities</i>	64.0%	67.5%
<i>Not affected by calamities</i>	90.1%	92.5%
Measure 3.2 Setting up of producers' groups	7.5%	5.7%
Measure 3.3 Agricultural production methods designed to protect the environment and to maintain the countryside	0.77%	10.3%
Measure 3.4 Development and diversification of economic activities, multiple activities and alternative incomes	79.3%	81.0%
<i>Affected by floods</i>	49.9%	49.3%
<i>Not affected by floods</i>	79.6%	81.3%
Measure 3.5 Forestry	84.7%	77.4%
<b>Axe 3. Development of rural economy</b>	86.0%	86.3%
Measure 4.1 Improvement of vocational training	73.5%	76.7%
Measure 4.2 Technical Assistance	95.4%	98.8%
<b>Axe 4. Development of human resources</b>	79.3%	82.6%
<b>TOTAL</b>	<b>89.1%</b>	<b>88.6%</b>

\* see the explanatory notes in the narrative section.

Briefly, it can be assessed that the Programme good capacity of planning was confirmed, where 89.1% of the resources were allocated, as compared to the approved projects; considering the time delay of the effective implementation of SAPARD, as described in the previous paragraph, actually began in 2004, and this is doubtlessly the optimal result from the point of view of the planning capacity and allocation of the available resources. Certainly, the remaining of 10% of the resources provided by the European Union were not used, and this is not due to the lack of needs that is of the possible demand, but to the fact that certain Measures (i.e. 3.2 and 3.3) had long delays which could not be compensate by the “overbooking” of other Measures (i.e. Measure 2.1).

The implementation capacity was doubtlessly good, reaching 88.6% and demonstrating an optimal capacity of the financial efficiency of the plan. In this case too it is valid what was already mentioned, regarding the good organisation which, especially in the last years of management of the Programme was offered by the Managing Authority.

More exactly, the analysis of these indicators by the Evaluator for each stresses out certain heterogeneous phenomena:

Concerning the planning capacity, the Measures can be divided into three groups:

1. Around 90%: Measures 1.1 / 1.2 / 2.1 / 3.1 / 4.2;
2. Between 70% and 85%: Measures 3.4 / 3.5 / 4.1;
3. Below 60%: Measures 3.2 and 3.3

A separate note shall be mentioned however for the resources which are based on the relative financing line for the projects “affected by floods” which recorded limited progress, transversal for all the Programme and actually limited the advance of the expenditure for the entire SAPARD.

Also, concerning the indicator related to the capacity of execution (implementation) and therefore the efficiency of the expenses, we can note how at least three groups of Measures can be identified:

- 1) Around 90%: Measures 1.1 / 2.1 / 3.1 / 4.2;
- 2) Between 70% and 85%: Measures 1.2 / 3.4 / 3.5 / 4.1;
- 3) Below 60%: Measures 3.2 and 3.3

Thus, the trend of this indicator is parallel with the analysis of the planning capacity, or, in other words, the expenses were in concordance with the carried out commitments, except for Measure 1.2 where, in relation with the assumed commitment payment resources were lost. In exchange, however, Measure 2.1 “not affected by floods” records an abnormal value of 105% due to the variation of the exchange rate along the years, considering this was actually one of the first implemented measures. The problem mentioned many times by the Evaluator, was the progress of the expenses for Measures 3.2 and 3.3 which, as well as it has not any finalized project, which can be explained by the fact that the beneficiaries preferred to give up the SAPARD financing in favour of the new NRDP 2007-2013, recorded financial progresses below 10%.

## **5.5. Lessons learned and real budget**

### **5.5.1 Lessons learned**

An important change with positive effects in the management and monitoring of the SAPARD Programme was the transfer of the Managing Authority for the SAPARD Programme from the Ministry of European Integration to the Ministry of Public Finances, and later to the Ministry of Agriculture, Forests, and Rural Development, as well as the reorganisation of the SAPARD Agency into the Paying Agency for Rural Development and Fishery.

PARDF (Paying Agency for Rural Development and Fishery) had an important role in promoting the project among the possible beneficiaries. More than 50 interviews were held in dedicated broadcasts and magazines and about 2000 posters, 500 packs of seven flyers in Romanian and 150 packs of flyers in English were disseminated for the investment Measures 1.1 and 2.1, and 2.700 guides too.

In order to support the promotion of the SAPARD Programme and therefore, to provide the equality of opportunities in accessing European funds, a special attention was dedicated to the participation in different events (seminars, symposiums, fairs, scientific workshops).

Positive actions for the support of the promotion for accessing the funds and support of the implementation:

- Founding of SAPARD *Info Centres*
- Caravan
- Consulting and information activities
- Mass-media campaign (publishing of fliers and posters, publishing of the brochure, production of other promoting materials, execution of the Applicant's Guides)

The most important activities in this respect were the information and professional formation seminars in view of accessing European funds organised nationwide with the local public authorities. Equally, the PARDF representatives participated at the national consultations regarding the possibilities of SAPARD financing, organised by County Prefectures and County Councils.

The involvement of the local authorities and of the structures of the central public institutions in the territory for the implementation of the Programme:

In order to carry out the goals of the Programme and provide efficient information of the possible beneficiaries, a determinant role was played by the local authorities and decentralized structures of the central public institutions involved in the implementation of the Programme. Therefore, in order to provide the institutional transparency between the central and local and/or regional organisms, the actions of the central and local authorities intensified, with a permanent concern for improving the institutional communication with the target public of the Programme.

Prefectures, Local Councils, town halls of rural localities, on one side, and Regional Offices for the Implementation of SAPARD Programme, the Directorates for Agriculture and Rural development subordinated to MAPRD, as well as the County Offices for Agricultural Consultancy, on the other hand, intensified the information and support activities for the possible beneficiaries of the Programme.

From the experience of the SAPARD Programme, the importance of assuming the risk by financial engineering operations, the elimination of the restrictions were identified as limitative causes for the absorption of funds, as well as the need to provide the beneficiaries with co-financing facilities, in the implementation of the following rural development Programmes.

Pursuant to the implementation of the SAPARD Programme the need of structuring the information and the existence of a coherent approach at the country level was also observed.

In order to improve the following Programmes, an important factor is the development of specific components of county experts in terms of improving the contract with the beneficiaries/possible beneficiaries, as well as the offering of consulting regarding the opportunities of the Programme in the context of the development of the agri-business environment at county, national and European level.

Considering that a key issue of future programmes is the private co-financing, we recommend the continuation of the measures which determined the absorption of the communitarian funds.

### **5.5.2 Supporting instruments in the implementation of the SAPARD Programme considered as good practices**

#### THE "FARMER" PROGRAMME

In order to render attractiveness to the agricultural sector for the credit entities and to eliminate inconveniences occurred due to the lack of private co-financing which should have been provided by the possible beneficiaries of the funds from different development Programmes, (about 80-85% of the possible beneficiaries did not dispose of their own contribution), as well as to provide the premises of financing by credits the agriculture investments, the „Farmer” Programme was initiated.

The “Farmer” Programme, the intermediate link between the pre-adhesion Programmes and the achievement of the investment projects in accordance thereof, was the financial instrument providing the beneficiaries with the pre-adhesion funds, the co-financing absolutely necessary to the absorption thereof, since the public non-refundable public contribution from European funds was granted only after the termination of the project steps established in the financing contract, as in this case the beneficiary had to dispose of the amounts needed to realise them.

The „Farmer” Programme had the following goals:

a) The acceleration of the European pre-adhesion funds absorption, offering the pre-financing and the co-financing instruments capable to eliminate the existing discrimination among the capitalized and beginning investors or those without own financial resources, the access to European funds being allowed practically to all the investors who complied with the national and European norms and regulations. The amounts were destined to be accessed and carried out in order to credit the investments in agriculture, both for the co-financing of the SAPARD projects and for the execution of direct investments, which are not eligible within the SAPARD Programme.

b) The need of transformation of an increasing number of households in the subsistence agricultural areas, into family commercial farms. The Programme addressed especially people from rural areas who wanted to organize an agricultural farm of a certain profile, managed directly by the owner, with the family members. Offering grants, after the reimbursement of the credits, non-eligible investments were offered SAPARD facilities similar to the eligible ones, in order to force the modernisation of agriculture and of the Romanian rural area.

c) The taking over the risks by security funds.

Upon the disposition of the Ministry of Agriculture and Rural Development there was created „The fund for crediting investments in agriculture, forestry, fish farming, as well as non-agricultural activities“ in compliance of Law No. 231/2005 regarding the stimulation of investments in agriculture, food industry, forestry, fish farming, as well as non-agricultural activities.

The fund was used for:

- Granting credits to the beneficiaries;
- Covering costs for executing the technical-economic documentations for granting the credits;
- Offering grants, calculated as percentage of the value of the credits granted to the beneficiaries of credits;
- The fund can be used to supplement the needed amounts for the co-financing of the investment projects financed by non-refundable funds under other EU programmes or to supplement the credits granted by the credit entities from their own funds.

The use of the amounts from the fund allowed accessing and implementing EU and national funds, both for pre-adhesion and post-adhesion, the „Farmer” Programme represented the main instrument for increasing the absorption of SAPARD funds.

#### *Concrete results, selected banks, perspectives.*

In 2006 and 2007 the first part of the Programme was developed, that is the co-financing of the SAPARD projects applied for until 31.07.2006 the deadline of the applications submission (many projects were submitted, as the amounts allocated from European funds were insufficient and GO 74/2006 regulated the financing of non-refundable contribution from the State Budget – the Romanian SAPARD) and a part of crediting direct investments (non-eligible through the SAPARD Programme) purchases of new tractors for agricultural purposes, agricultural machinery and equipment, biological material for the population of the farms. 651 million Lei were granted by the State Budget, 98.75% of the allocated funds were contracted, effectively paid in 2006, 2007, 2008. The selected banks were BCR; BRD; CARPATICA SIBIU; CEC BANK.

Considering that the „Farmer” Programme was a success, in 2008, the Government decided to grant by means of MAFRD, 760 million Lei for the co-financing the projects submitted under

NRDP, therefore continuing and improving the „Farmer” Programme 2, which extended the applicability to the end of 2009. The selected banks for the processing of these funds were: BCR; BRD; CEC BANK; CARPATICA SIBIU; BANCPOST; RAIFFEISEN BANK.

### *Conclusions*

It is the first time when a financial instrument created in Romania after 1989, offered the real possibility to realise an investment in the agricultural domain for any beneficiary really wanting to carry out its activity in this area.

It also offered the possibility of modernizing agricultural farms, the implementation of new, state of the art technologies, allowed for the first time a coherent strategy of modernisation of the rural area, increased the exigency level in selecting the SAPARD and NRDP projects, contributed in a decisive manner in 2006 to the absorption of SAPARD funds, familiarised the Romanian banking system with the problems of financing investments in agriculture by credits, as the participating banks to this Programme granted, in full economic crisis, credits from their own funds for the beneficiaries of the projects submitted under NRDP, which could not apply for the „Farmer” (a farmer can access funds only once), and for other investment projects in rural area, in more advantageous conditions than other banks could offer.

It is worth mentioning, along direct effects, also the subtle long term, effects of this Programme which generated the modernisation or construction of more than 1500 investment projects and influenced in a decisive manner other thousands.

Among these effects, those with social impact are worth mentioning. Therefore: the creation of jobs; the need to use the resource at a higher technological level due to the implementation of the project; the stimulation of individual investors to obtain the licenses in order to implement commercial activities resulted from the exploitation of the investment goals; encouraging partnerships between groups of producers; the orientation of the vegetable or animal production to realise strategic goals (production of meat, beef, sheep); the development of auxiliary agricultural branches, also available for other activities (tourism, processing of agricultural products etc.) and not the last, the change of mentality in terms of support that the agricultural producers received from the state and the development of the entrepreneurship spirit.

### THE GUARANTEE FUND FOR IMPLEMENTING PROJECTS UNDER SAPARD PROGRAMME

In order to guarantee the financial instruments that the credit entities provided for the agricultural producers, agricultural products processors, and where applicable, local public authorities, for the co-financing of the projects carried out through SAPARD funds, it was established under Law No. 218 from 05/07/2005, at the disposal of the Ministry of Agriculture, Forests, and Rural Development - the Guarantee Credit Fund under SAPARD programme.

MAFRD allocated to The Rural Credit Guarantee Fund – S.A. and to The National Credit Guarantee Fund for SMEs - S.A., amounts resulting from the Fund for credits security in order to carry out the projects under the SAPARD Programme, in order to grant guarantees to the credit entities.

The beneficiaries of the securities granted by the security funds are:

- a) trading companies created in compliance of Law No. 31/1990 regarding the trading companies, amended;
- b) agricultural companies created in compliance of Law No. 36/1991 regarding the agricultural companies and other forms of partnership in agriculture and Law of agricultural co-operation No. 566/2004;
- c) authorized natural persons and farmers associations, created in compliance of the law.

### 5.5.3 SAPARD PROGRAMME - SUCCESS STORIES

*Companies which visibly increased their turnovers by accessing funds from the SAPARD Programme*

#### **S.C. UNIVERSAL S.A.**

The company Universal from Zalau carried out with this financing 410 more tons as compared to the previous year, realizing an average of 4 tons of products per day. Also, the investment carried out with SAPARD funds created 40 new jobs in Criseni, Salaj County, where the production facilities are found.

For carrying out the project, the SAPARD Agency declared as eligible expenses the amount of EUR 817,087, therefore the financial support of the SAPARD Programme represented EUR 408,543. The company disposed of EUR 186,301 own funds, but called for a credit line of EUR 385.000. The project aimed the extension of the production capacity and the modernisation of the meat products section. For this purpose, new facilities for the products were arranged, a monitoring line of the technological flow was purchased and also transport vehicles and a high efficiency equipment for cutting frozen meat.

The intention was to sell products only on the domestic market, either directly by local distribution, and indirectly, on the national market, with the distribution companies. The target segment of consumers were the average consumers. For instance, the production price of a kg of dry salami was RON 17.6, a 200 can of liver pasty costs RON 1, and a can of beef costs RON 2.1.

The management of the company mentioned that only EUR 250,000 were used from the contracted credit line, the remaining of the amount not being necessary anymore due to the progressive increase of the turnover, after the implementation of the project.

Despite of the complexity of the procedure, the company Universal Zalau initiated after the implementation of this project, another project of modernisation with financial support from SAPARD.

#### **S.C. ROCAVIOTI S.R.L.**

The increasing demand of vegetable on the market of Timișoara and the opportunity of accessing the funds with the aid of the SAPARD Programme determined the trading company ROCAVIOTI to decide upon investing in this area. Moreover, this company tried without succeeding to anticipate the future demand in this industry, finally taking the decision to produce vegetables in ecologic conditions. Therefore, in July of 2006, the company submitted at the Regional Paying Centres for Rural Development and Fishery, a financing application asking for community financing support for "Construction of a greenhouse with light metallic structures in order to carry out ecological agriculture, and joined constructions, in Uivar commune, Timis County".

The area where the investment is located, Uivar commune, is very favourable from the climate point of view, regarding the construction of light metallic structures of a greenhouse.

However, the attractiveness of this investment was sustained by other favourable arguments, such as: the decrease of the surfaces destined to vegetable culture in the Timis county and in the whole country; the absence of ecologic vegetables on the market; the existence of imported products, sold for very high prices, with high costs, determined by transport, and an arguable quality, especially in terms of freshness; the sustaining of the investment for 50% with non-refundable funds by the SAPARD Programme; the increase of company's profit, pursuant to the development of the activity in the vegetable area; the season-dependent culture of vegetables and the decrease of the amounts on the market in the cold season.

These and other arguments were taken into account in the decision to invest in this field of activity. The investor, S.C. ROCAVIOTI S.R.L., by this project built a greenhouse of about 3,700 sq.m., with one level and endowed with the machinery providing the automation of the production process. The project also supposed the construction of a warehouse for finite products, where the commercial batch of ecologic vegetables is formed for the sale to the customers of the trading company. In order to realise the conversion to the ecologic agriculture, the operator applied for the certification of the production activity from the authorized certification and control authority. The conversion period of the operator lasted about two years.

The ecologic vegetable culture is an alternative production based upon the rational exploitation, being based upon the exploitation of nature within a global diligence, based on an ensemble of principles imposing a serious perception of the production, as well as regulated observation of the plants and of their environment.

The total value of the project was 1,677,375 RON – 478,566 EUR, and the eligible expenses were 1,259,851 RON (359,444 EUR). The beneficiary received a non-refundable co-financing from the SAPARD Programme consisting in a total value of 629,926 RON (179,722 EUR) from all the expenses which involved the complete construction and endowment of this greenhouse.

The recovery of the amounts granted with the European help was realised in three payment instalments in the period of implementation. The application of the project was developed for a period of two years after the moment of deposit. Therefore, the works were finished in August 2008.

The selection of such a manner of implementation considered the provision of some income resources by initiating the production. Practically, in September 2008, the applicant seeded the first culture of vegetables, tomatoes. The applicant continued with a long cycle of vegetable culture, as a heating unit was installed, providing the heating for the cold period of the year. After the cropping of the first production, the beneficiary obtained 50 tons of tomatoes. These were traded, and the company cashed the first incomes. The investment recovery period will be 8 years.

### **S.C. AGIL S.R.L.**

The company AGIL S.R.L. was founded in 1991 and their first product registered under the name of “Pleskavita” a kind of hamburger, adapted to the food requests in Banat. In 1992, the number of employees of AGIL was only 3, but in 1996 this number increased to 40, and in 2010 exceeded 300 employees. Different types of traditional higher quality cold meats are available in the 30 AGIL shops.

An important step in the development of the company was the investment in 1999, which exceeded USD 250.000 and it was used for the purchase of high performing equipment in the food industry. After the adhesion of Romania to the European Union, the challenges of an extending market with higher standards, marked the activity of AGIL too. The need to improve the production process and providing the highest quality standards determined the elaboration of a SAPARD project, of EUR 4.6 million, which allowed the construction of a modern green field factory, in the suburb area of Timisoara. The new factory, endowed with the most modern meat processing machinery, finished in 2007, with a production capacity of 40 tons products/day, allowed the obtaining of higher quality products, compatible with the EU exigencies. The products are obtained in accordance with the Integrated Quality Management System – Environment and Food Safety, certified in compliance of ISO 9001, ISO 22000 and ISO 14001.

The demand of cold meats was successfully covered after the implementation of the SAPARD project, which allowed the increase of the quality and the diversification of the offer in accordance with the EU standards. The company AGIL delivers its products in Timis, Arad, Bihor, Cluj, Alba,

Hunedoara, Caras Severin, Mehedinti, Dolj, Arges, Sibiu, Brasov, Mures, Satu Mare, Maramures, Bacau, Prahova, Suceava, Bucharest, and Iasi.

The increase in the production capacity and the correlation with the delivery imposed the endowment of the factory with state of new equipment and the renewal of vehicles, a project initiated in 2008 and finished in March of 2009, financed under EAFRD non-refundable European funds of 750,000 Euros. The vehicles are endowed in accordance with the highest standards imposed for the transport of meat products.

At present, after the increase of sales in cold meats and the conservation of the tradition, the AGIL company initiated a new project financed under EAFRD European funds, of 2 million Euros, in order to extend the processing and storing facilities which is planned to be finished this year.

## BIHOR COUNTY

According to the representatives of the County Paying Offices for Rural Development and Fishery (CPORDF) of Bihor County 208 **projects** were submitted to be financed under the SAPARD Programme, of which 202 were contracted. The total value raises up to 256,613,345 lei. Out of the 202 contracted projects, 157 were financed under SAPARD (193,909,489 lei). These projects were submitted under Measure 1.1 – Processing and marketing of agricultural and fishery products, Measure 2.1 – Development and improvement of rural infrastructure, Measure 3.1 – Investments in agricultural holdings, Measure 3.4 – Development and diversification of economic activities, and Measure 3.5 – Forestry.

## OTHER SUCCESS STORIES

### Measure 1.1 " Improvement of processing and marketing of agricultural and fishery products" Sub Measure: "Cereals"

- Modernisation of the corn mill SC LUJERUL SA Bucharest by rebuilding the construction and extending its capacity. Total budget: 1,408,641.49 euro, of which SAPARD financing: 704,320.74 euro.
- Modernisation of the cereals storehouses of Timișoara, Jebel and Sannicolau-Mare by purchasing new specialised transport vehicles, machinery for the improvement of the quality and quantity reception and endowments for the laboratories. Total budget: 745,700.00 euro, of which SAPARD financing: 372,850.00 euro.
- Modernisation of the storing capacity of the facility for the production of combined fodders in Ciolpani locality, Ilfov County. Total budget: 100,000.00 euro, of which SAPARD financing: 30,000.00 euro
- Modernisation and implementation of new technologies of the primary cereal processing at the Constanta mill (Dobrogea Grup SA, Constanta County) Total budget: 2,574,600.00 euro, of which SAPARD financing: 1,287,300.00 euro
- Modernisation of the wheat mill at SC PAMBAC SA BACAU, Bacau County. Total budget: 1,999,944.00 euro, of which SAPARD financing: 599,983.00 euro

### Sub Measure: "Oil seed"

- Modernisation of the technological flow and extension of the production capacity at the oil factory SC AGRICOVER SA Buzau. Total budget: 1,999,953.75 euro, of which SAPARD financing: 599,986.11 euro

### Measure 3.1 "Investments in agricultural holdings" Sub Measure: Field Crops

- Purchase of a cropper at the vegetable production farm of SC SIC PAN SRL, Unirea locality, Dolj County. Total budget: 150,506.00 euro, of which SAPARD financing: 75,253.00 euro
- Purchase of a cropper – field cultures, Turcoaia locality, Tulcea County. Total budget: 193,380.00 euro, of which SAPARD financing: 96,690.00 euro
- Modernisation of the agricultural holding of SC Agripina Prosper Impex S.R.L., Izvoarele locality, Giurgiu County. Total budget: 142,778.00 euro, of which SAPARD financing: 71,389.00 euro
- Purchase of machinery and agricultural for field crops Valea Seaca locality, Iași County. Total budget: 193,700.00 euro, of which SAPARD financing: 96,850.00 euro
- Modernisation of a vegetable production farm – field crops by the purchase of irrigation installations, in Marzanești locality, village of Cernetu (Teleorman County). Total budget: 125,260.00 euro, of which SAPARD financing: 62,630.00 euro.

#### 5.5.4 Conclusions

The experiences of the implementation of the SAPARD Programme demonstrated the need of providing the beneficiaries with co-financing facilities and taking over the risk through financial engineering operations, as well as eliminating the restrictions identified as limitative causes for the absorption of funds.

For this purpose, for the new programming period some improvements have been brought to the financing conditions aiming to better respond to the needs of the possible beneficiaries.

During SAPARD Programme implementation, beneficiaries had the possibility to receive funding for only two projects. The reason for this matter was to provide a large dissemination of the projects funds in order to avoid their monopolisation by big beneficiaries with available financial resources.

For the new programming period it was decided to eliminate these restrictions, however complying with the legal regulations regarding the „de minimis” support, for the measures where „de minimis” rule should be applied.

The lessons learned from the implementation of the SAPARD Programme especially the difficulties met in the implementation stage were considered in the elaboration of the new Programme.

Therefore, in establishing the maximum levels of support for Measure 121 „Modernisation of agricultural holdings”, the SAPARD experience was taken into consideration. Initially, by Measure 3.1 „Investments in agricultural holdings” the maximum eligible value of a project ranged between 5,000 – 500,000 Euro. Two amendments of the Programme followed, increasing the total eligible value to 2,000,000 Euro only for the projects intended for the implementation of the *acquis communautaire* in the animal and birds breeding farms, that is 1,000,000 Euro for the projects of rehabilitation of vineyards. The conditions for granting these levels referred to the fact that before starting the investments, the farms had to be in accordance with the national standards, and at the end of the investments, for the projects with the value up to 500,000 Euro the investment should have been in accordance with quality, veterinary and plant health – control , and Romanian legislation in the field of environment, and for those with the value above 500,000 Euros, the farm must comply with the legislation of the European Union. The financial support with the value above 500,000 Euro was granted only for the projects aiming the implementation of the *acquis communautaire* within animal and birds breeding farms.

Also, Measure 3.4 „Development and diversification of economic activities generating multiple activities and alternative incomes” was completed with a new sub-measure, “Processing, at the farm level, of traditional certified attested and/or certified organic food products” for which the projects could have a maximum eligible value of 500,000 Euro, and the investments had to be in

accordance with the European Union standards. In establishing the maximum limits of support for Measure 123 „The increase of the added value of the agricultural and forest products” it was considered the Measure 1.1 „Improvement of processing and marketing of agricultural and fishery products”.

By the implementation of Measures 1.1, 2.1 and 3.4, the SAPARD Programme created a positive impact on the stabilisation of the rural population, due to the creation and the maintenance of jobs opportunities.

The Programme facilitated a positive evolution regarding the creation and maintenance of jobs, especially in the processing industry. Also, the measures of the Programme contributed in a positive manner to the creation and maintenance of jobs in rural areas on one hand due to the manner it was conceived and the targets of the measure concerning diversification and on the other hand due to the fact that Measure 3.1 has an important secondary effect in the creation of jobs.

Initially, under this measures projects with a total eligible cost ranging between 30,000 – 2,000,000 Euro were covered, and the condition for granting such limitations referred to the fact that the operating storage/processing units before the beginning of the investment had to comply with the national legislation, and at the end of the investment, these should be in accordance with that of the European Union. Afterwards, the total eligible value increased to 4,000,000 Euro, and the condition for granting such sums became stricter, so that after finishing of the investment, all the unit had to comply with EU legislation.

As for the measure regarding the producers groups, the new Programme has provided a higher support level in accordance with the relevant regulations.

Regarding NRDP Measure 214, the agricultural-environmental measures, it has envisaged the combination of simple management requests, which can be easily understood and applied by farmers as the efficiency was related to the protection of the environment. It was avoided the request of complex conditions referring to the management activity for the projects, in order to reduce the risk of a limited absorption of funds. The land for which the commitment will be made with the measure shall be checked through IACS check system, so that cadastral documentation will no longer be necessary, a fact which impeded a better absorption within the SAPARD Programme. Granting support in filling in the request forms and collection of the needed evidence documentation is included as activity/eligible cost in Measure 143 „The supply of advising and consulting services for farmers”. The sub-measures related to agricultural-environmental activity shall be launched in due time, paying more attention to the promotion of available measures among farmers, by simple messages. The formation in the agricultural-environmental field for farmers shall be eligible under Measure 111 „Professional training, information, and dissemination of knowledge” and Measure 143 „Supply of advising and counselling services for farmers”.

As regards the measures in the field of forestry, the possibility of carrying out projects focused on providing adequate operation of roads in the agricultural and forest was provided with Measure 125, referring to the improvement of the agricultural and forest infrastructure.

In the NRDP Programme a special attention is granted to small scale investments, especially in the fields of agri-tourism and rural tourism, in areas where the touristic potential has not yet been developed. A priority is paid to tourism investments, where the investors dispose more than 1000 m<sup>2</sup> of land, in order to avoid a large concentration on constructions (Measure 313).

Within measure 312, referring to small enterprises, a priority is granted to investments generating jobs and to the selection of projects which create more than one job for every 25,000 Euro granted. Concerning the measure referring to the renewal of the villages, the priority of measure 322 is given to the integrated projects which combine the food and water components, sewage and treatment of used waters, as well as to the projects developed in cooperation with regional

operators, which are involved in finding adequate technical solutions at local level which could coincide with the regional systems.

The rural population largely benefited from the improvement of the rural infrastructure and support granted to the local industry. Therefore, there can be find positive secondary effects of the financed projects.

Considering that the issues of the private co-financing represent a key issue also in the new programming period the continuation of the measures which determine the increase of the absorption of community funds was imposed, more exactly the „Farmer” Programme, which represented a stimulus both for the beneficiaries by subsidizing the credit interests, and also for the banks by guaranteeing rural credits.

Also, considering the accumulated experience, and the difficulties created in the first implementation period of the SAPARD Programme, especially, by the very rigid procedures and the complexity of the procedural requests that the beneficiary had to face, it was decided to simplify the implementation process, by simplifying the required documents at the submission of the projects, as well as the implementation of NRDP at three levels: central, regional and county/local – where the direct contact with the beneficiaries of the Programme was provided.

The monitoring indicators collected during the implementation period of the SAPARD Programme, are also used during the programming period 2007-2013, in order to define the unitary average costs for different types of projects in the relevant measures.

That means that where it is possible, the accumulated experience in the SAPARD Programme is used in order to quantify more exactly the target goals, especially at operational and more specific level. The experience is used to better correlate the unitary investment costs of the developed project with the quantified targets and the amounts allocated to each measure.

## **6. ANSWERS TO EVALUATION QUESTIONS**

### **6.1. Analysis and discussion of the indicators in compliance with judgment criterion of the targets referred to in the evaluation questions**

The analysis and discussion of the indicators in compliance with the judgment criterion of the targets referred to in the evaluation questions can be found integrated in the answers provided to the evaluation questions (subchapter 6.3).

### **6.2. Analysis and discussion of the quantitative and qualitative information from public statistics, specific studies / questionnaires or any other sources**

The analysis and discussion of the quantitative and qualitative information in public statistics, specific studies/questionnaires and any other sources can be found integrated in the answers provided to the evaluation questions (subchapter 6.3).

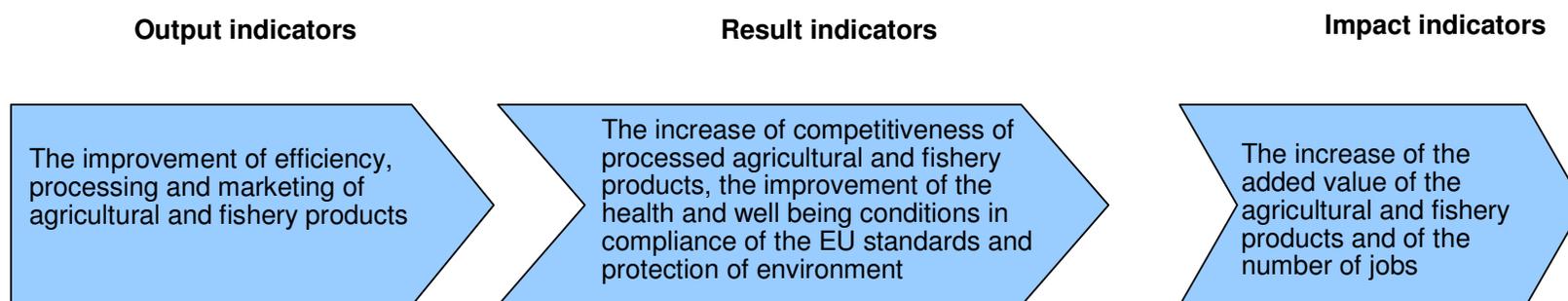
### **6.3. Answers to the evaluation questions**

### 6.3.1 Common<sup>33</sup> evaluation questions regarding the measures

#### A. Measure 1.1 “Improvement of processing and marketing of agricultural and fishery products”

As stipulated in art. 2 of the Council Regulation (CE) No. 1268/99, Measure 1.1 “Improvement of processing and marketing of agricultural and fishery products” has the general objective to improve efficiency, processing and marketing of agricultural and fishing products, which result into higher quality products, in order to contribute to applying the *acquis communautaire*, to increase competitiveness and added value of products and contribute in the same time to the creation of new jobs.

The **Intervention logics** of Measure 1.1 can be described as follows:



Measure 1.1 used 92% of its financial allocation, which represents a higher value than the general tendency of the Financial Plan of the SAPARD Programme which was an average of 89%, demonstrating a high expense **efficiency**.

Although Measure 1.1 granted support for capital investments in the field of processing and marketing the agricultural and fishing products, the trading companies accessed the funds especially for investments in machinery and equipment. The level of execution of the result indicators (capacity of execution) was high, and after the SAPARD financing, the income of the holding increased visibly, as the executed investment determining numerous improvements and changes of the holdings. Therefore, the evolution of the beneficiary holdings demonstrates the **efficiency** of the Measure. On the other hand, out of the low level of execution of the indicators (number of projects) and the high level of execution of the result indicators (capacity of execution) we can draw the conclusion that Measure 1.1 financed much less projects, however with larger sizes than anticipated, therefore it supported the creation and development of large capacity processing and storing units with, that was in disadvantage of the producers with smaller financial capacity.

<sup>33</sup> For the description of the methodology of the European Commission concerning the evaluation of the Rural Development Programs supported via the SAPARD program, including the description of the concept of general and specific evaluation questions, see Chapter 4.2.1 of this Report.

**Question A1:** To what extent have the supported investment helped to increase the added value of the agricultural and fishery products through improved and rationalised processing and marketing of products?

Criteria	Indicators Source	Indicator description	Target	Achieved	Observations
1.1 Rational procedures and better use of production factors in assisted processing and marketing lines	<b>result indicator</b> (source NPARD)	The level of use of the capacity of the beneficiary processing lines and marketing  Decrease of the processing and marketing / basic product unit cost	> 80%  20%	n.a.  n.a.	These indicators were not collected through SAPARD Agency monitoring system , and the beneficiaries included in the sample of the direct query avoided to reply or could not appreciate the quantity of the followed resulted indicators.  Alternative Indicators for the evaluation of the execution degree of criterion 1.1 are:  The increase of productivity for 70% of the beneficiaries  The improvement and rationalisation of product processing and marketing for 70% of the beneficiaries  The creation of a scale economy in the companies for 60% of the beneficiaries
	<b>Impact indicator</b> (source NPARD)	The value added of the products realised on the beneficiary processing and marketing lines	To increase by 10%	15,8%*	Average increase (10 measurable answers)  For 21% of the beneficiaries the added value of products increased at least 10% (69% did not reply)
	Source: EU Guidelines	Capacity utilisation in assisted processing and product marketing lines (report)  Added value in assisted processing and marketing lines (%)  Processing / marketing costs per unit of basic product, due to the support		n.a.  15,8%*  n.a.	See the explanations above  Average increase (10 measurable answers)  See the explanations above
1.2 Outlets created or improved for products in beneficiary plants	Result indicator (source NPARD)	The share of the offer of raw materials for the beneficiaries of processing lines, or sale, which depends on multi-annual contracts	>30%	n.a.	The global indicator was not collected through the monitoring system of SAPARD Agency, nor in the direct query research.

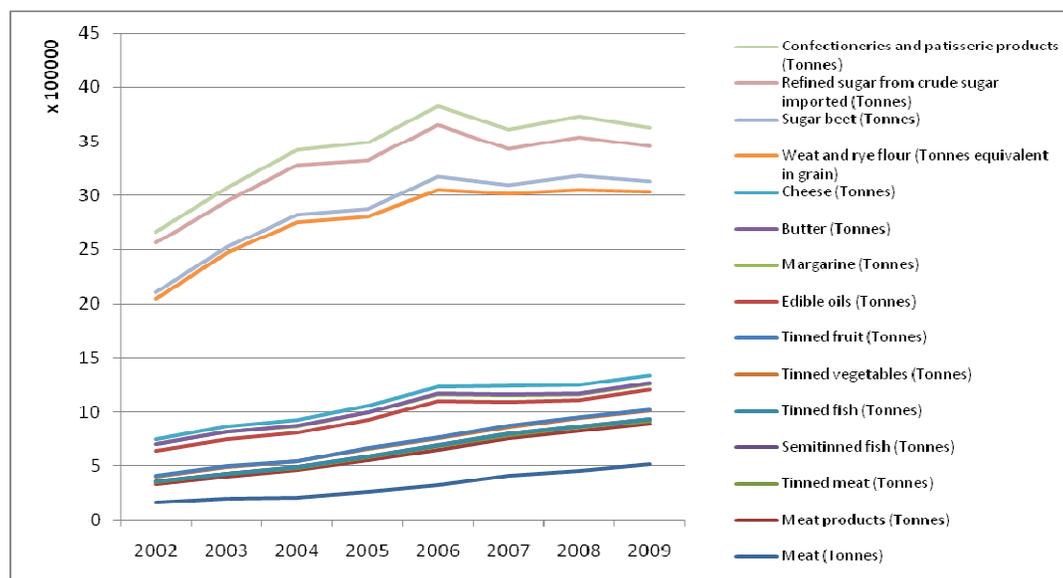
	Source: EU Guidelines	The share of gross sales of processed - products that are sold to outlets created or improved thanks to assistance (%), of which: (a) to national markets (%) (b) to the European Union (%) (c) to other Central and Eastern Europe (%)	-	n.a..  (a) 66,7% (b) 9,5% (c) 23,8%	The global indicator was not collected through the monitoring system of SAPARD Agency, nor in the direct query research.
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\* quantified and estimated evaluator's indicators upon survey

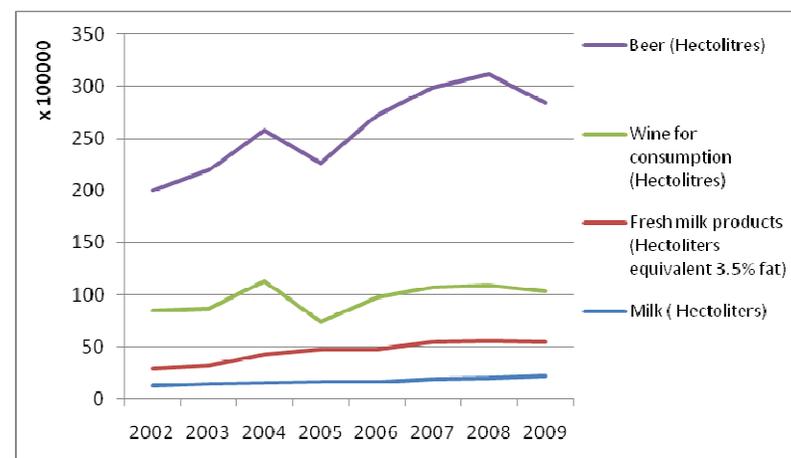
**Answer to the evaluation question:**

The result indicators established for the criteria 1.1 and 1.2 are hard to quantify due to the lack of information. These indicators were not followed through the SAPARD Agency monitoring systems and the beneficiaries included in the survey sample, in most cases avoided to respond or did not appreciated quantitatively the evolution of the queried result indicators.

In accordance with the Eurostat data, the added value of the products obtained in the food and beverage industry in Romania increased between 2002-2007 from 19,9% to 22,1%, which showed us that the investments achieved through the SAPARD Programme had a positive impact on the entire sector.



**Figure: Production of the main industrial products**  
Source: INSSE TEMPO\_IND106C\_27\_6\_2011



**Figure: Production of the main industrial products**  
Source: INSSE TEMPO\_IND106C\_27\_6\_2011

For the period 2008-2009, the statistics show an increase with 4% of production in the food industry (conform NACE Rev.2), which increased from 32.744,8 Million Ron (in 2008) to 34.121,5 Million Ron (in 2009), which suggests the positive impact of the SAPARD Programme on this sector.

Considering the difficulties in quantifying the indicators corresponding to the criteria 1.1 and 1.2, the Evaluator used alternative indicators which could be quantified in the direct query among the beneficiaries, that is:

- Increase of productivity
- Improvement and rationalization of product processing and marketing
- The creation of a scale economy for the companies

More in detail, by the direct survey among the beneficiaries, the Evaluator highlighted that measure 1.1 contributed to the increase of added value of the products by rational procedures and a better use of the production factors, 70% of the beneficiaries declaring that they noted the increase of productivity and the improvement and rationalization of the products processing and marketing after the carrying out of the SAPARD projects. Also, 60% of the interviewed beneficiaries declared that by the SAPARD investments they could create scale economies in their companies, which represents an important factor of rational use of the resources, leading to the increase of the production added value in a company.

On the other hand, only a small part of the beneficiaries could quantify more exactly the increase of the added value, and, specifically, the added value of the products increased by at least 10% for 21% of the beneficiaries (while 69% did not respond). Also, the beneficiaries could not quantify the processing and marketing costs per basic product unit, due to the support.

Finally, the identification of the information needed for the quantification of the indicators corresponding to criterion 1.2 was even more difficult, as the beneficiaries could not quantify the share of the offer of raw materials for the processing lines, or sale, which depends on multi annual contracts. On the other hand, the main market of the products remains the domestic market, concentrating more than 66% of the gross sales share of processed products, followed by other countries in Central and Eastern Europe, for about 24%, and the European Union, with less than 10% of the sales share, which suggests a low integration level of the Romanian products in the EU food market.

In conclusion the investments supported by Measure 1.1 contributed to a large extent to the increase of added value of the agricultural and fishing products by the improvement and rationalization of products processing and marketing, however the integration of Romanian products in the EU market is still low.

**Question A2:** To what extent have the supported investments helped to increase the added value and competitiveness of agricultural products by improving their quality?

Criteria	Source of the indicators	Indicator description	Target	Achieved	Observations
2.1 The intrinsic quality of processed/ marketed agricultural products is improved	result indicator (source NPARD)	The percentage of sold products resulting from the beneficiary processing lines marketing with a quality label (number of products and %)	>20%	46%*	The average (10 interviewed) 21% beneficiaries have over 50% of the incomes from quality products 51% trade products with quality trademark Source: direct survey research
	Source EU Guidelines	Share of basic agricultural products contained in processed / marketed products with improved intrinsic quality from assisted processing / marketing lines (%), of which: (a) subject to automated quality monitoring thanks to assistance (%) (b) with improved homogeneity within and/or between batches (%) (c) complying with EU quality standards(%) (d) with a quality label(% and label description) (e) derived from organic farming (%)	-----	n.a.	No data are available in the monitoring tables or survey either.

**Answer to the evaluation question:**

The SAPARD investments contributed to improvement of the quality of processed and sold agricultural products, however the data obtained from the beneficiary do not allow us to make the difference between the products obtained on the beneficiary processing lines from those obtained on other processing lines by the beneficiaries of the measure.

Despite all these, it is clear that the target established at 20% regarding percentage of sold products resulting from the beneficiary processing lines and marketing which have quality label was exceeded, as the value of this percentage is 46%.

Especially, although no distinction can be done between the products obtained from the beneficiary processing lines and other processing lines, however it is relevant that from the direct survey within the beneficiaries there resulted 21% with more than 50% of the incomes from quality products and 51% trading

products with quality label, which suggests a positive impact of the SAPARD investments on the increase of added value and competitiveness of the agricultural products by improving their quality.



**Figure: The gross added value form agriculture**

Source: INSSE TEMPO\_AGR208A\_28\_6\_2011

From the national statistics referring to the economic accounts in the agriculture we can see that in the period 2002-2009 the gross added value increased, which shows the positive impact of the SAPARD Programme:

**Question A3:** To what extent have the supported investments improved health and welfare conditions in compliance with EU standards?

Criteria	Source of the indicators	Indicator description	Target	Achieved	Observations
3.1 Health and welfare concerns are appropriately integrated into the Programme	result indicators (source NPARD)	The share of the benefiting investments referring to health and good condition, of which:  (a) intended to improve products quality for human consumption, from the point of view of hygiene and nutritional aspect (b) intended to improve the safety at work	>20%  (a) >30%  (b) >20%	3,32%  (a) 2,2 0%  (b) n.a.	the share of the projects costs in the category "Adaptation to the EU Standards"  the share of the projects costs in the category food hygiene and quality of food products  The investments generated positive effects related to health and well being for 21%

	Source: EU Guidelines	Share of assisted investments in processing and marketing related to health and welfare (%), of which  (a) aiming to improve the nutritive and hygiene quality of products for human consumption (%)  (b) aiming to improve the nutritive and hygiene quality of animal feed (%)  (c) aiming to improve workplace safety and the hygiene conditions (%)  (d) aiming to improve animal welfare (%)	-----	3,32%  (a) 2,20%  (b) n.a.  (c) n.a.  (d) n.a.	Share of project costs in the category adaptation to EU standards”  Share of project costs in the category food hygiene and quality of food products  There are no data in the monitoring tables and they could be obtained from survey.
3.2 Animal health and welfare condition comply with EU standards	Source: EU Guidelines	Share of assisted plants complying with EU standards (%)	-----	n.a.	There are no data in the monitoring tables and they could be obtained from survey. Alternative indicator for the appreciation of the execution of criterion 3.2:  The financed investments facilitated the alignment to the EU health-veterinary standards EU. for 61% of the interviewed beneficiaries
3.3 Human safety and hygiene conditions at workplace have improved	<b>result</b> indicator(source NPARD)	The trend regarding the frequency of work accidents is decreasing.	Decrease	Decrease	The number of persons with accidents at the workplace in domains related to de agriculture, forestry, fishery and food industry decreased by 28% in 2003- 2007 and by 15% in 2008-2009
	Source: EU Guidelines	Trend of safety and hygiene conditions related to the assistance (description i.e. frequency of reported incidents)	-----	Decrease of the accident frequency	

#### Answer to the evaluation question:

Referring to the first evaluation criterion of the extent to which the investments lead to the improvement of health and wealth conditions in compliance with the EU standards, that is the concerns referring to health and wealth are accordingly integrated in the Programme, although the available data were reduced, however we can say that the investments generated positive effects related to the health and wealth of the beneficiaries, as it results from the research on the beneficiaries: 21% declaring that the low share of the costs of the projects in the category “Alignment to the EU standards” (about 3%) is due to the fact that, in the monitoring tables, the projects were divided onto categories upon the highest value investment. Therefore in the central reports the amounts described for the investments in health and well being of the projects which had other types of investments of higher value are not recorded. Consequently, the indicators calculated in accordance with the tables are clearly underestimated.

In connection with the second criterion, although the indicator share of the assisted factories are in compliance with the EU standards (%) could not be evaluated neither in the monitoring data, nor in the survey with the beneficiaries, as the positive effect of the achieved investments within Measure 1.1 on the aspects related to health and good condition are demonstrated in the results obtained from the survey, since for 61% of the inquired beneficiaries, the financed investments facilitated the alignment to the EU sanitary-veterinary standards.

At last, for the estimation of the extent to which the investments contributed to the improvement of the security at the workplace, the Evaluator analysed the contextual data, observing that the number of injured persons at the workplace in the companies with activity in agriculture, forestry, fishery and food industry decreased by 28% in the period 2003-2007 and by 15% between 2008-2009.

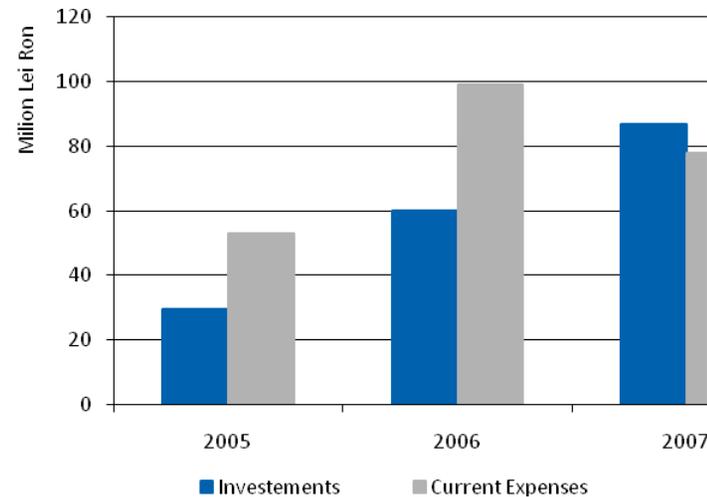
Therefore, the Evaluator concluded that the investments realised with Measure 1.1 contributed to a good extent to the improvement of health and wealth conditions in compliance with the EU standards.

**Question A4:** To what extent have the supported investments contributed to the protection of the environment?

Criteria	Source of the indicators	Indicator description	Target	Achieved	Observations
Waste management has improved	Result indicator (source NPARD)	Share of assisted investments with environmental purpose (emissions, use of resources, etc.), in the beneficiary processing lines and marketing	>20%	1,12%	Share of project costs complying with environment categories and a better use and disposal of the secondary products or residuals
	Source EU Guidelines	Waste / treated thanks to assisted actions (% of waste in assisted processing plants)	--	n.a.	No data could be obtained from monitoring tables, nor could they be obtained from the survey.

**Answer to the evaluation question:**

The low cost share of the projects compliant with the environment categories have a better use and disposal of secondary products or residuals is due to the fact that in the monitored tables the projects were separated on categories in accordance with the type of the highest value investment, as in the central reports there are not evidences of the amounts allocated to the investments related to environment in the projects which had other types of investments of higher value. Therefore, the indicators calculated upon the basis of the monitoring tables could be sub evaluated.



**Figure: Expenses for the protection of the environment in the food and beverages industry**

Source: INSSE TEMPO\_AGR208A\_28\_6\_2011

From national statistics referring to the expenses for the protection of the environment from the food and beverages industry we can note that the value of the investments for the protection of the environment increased between 2005 and 2007, which suggests a certain increase of the importance of such investments.

At last, for the evaluation of the contribution of the SAPARD investments to the protection of the environment, we shall have into consideration the indirect contribution that these had, for instance, by the improvement of equipment / machinery in the production process, or uses of environment friendly work procedures. Moreover, an important contribution, though indirect, to the protection of the environment came from the compliance with the environmental requests by the beneficiaries of SAPARD in accordance with the Protocol signed between the National Agency for the Protection of the environment and PARDF in 2006.

Therefore, considering all that, the Evaluator could conclude that Measure 1.1 contributed to a good extent to the protection of the environment, by direct investments in this direction, as well as, especially by the improvement of the production processes

**Question A5:** To what extent have supported investments contributed to restructure processing food industry in the involved sectors, in order to be able to compete in the single market?

Criteria	Source of the indicators	Indicator description	Target	Achieved	Observations
5.1. A substantial part of the processing plants in the sectors involved is capable to compete in the single market.	Impact indicator (source NPARD)	Number of full time jobs (a) maintained in better conditions  (b) created	19.000  (a) 13.300 70%  (b) 5.700 - 30%	27.150  (a) 20.595 – 77,7%  (b) 6.555 – 22,3%	Source: survey
	Source EU Guidelines	The number of EU-approved processing plants, as a result of the assistance, as a share of the overall sector (%) (a) of which assisted plants (%)	-	n.a.	No data could be obtained from monitoring tables, nor could they be obtained from the survey. Alternative indicator in assessing the level of accomplishment of the indicator for 61% of the questioned beneficiaries, the financed investments facilitated the alignment to the EU sanitary-veterinary standards

**Answer to the evaluation question:**

The investments done with Measure 1.1 had positive effects on maintaining and creating new jobs. More detailed, the investment determined the employment of personnel at 29 interviewed companies (67%) and contributed to maintaining jobs in better conditions at 10 interviewed companies (23%), and 9% of the beneficiaries did not respond to the job related question.

The same tendencies result from the information data of the balances of the responding trading companies. In accordance with the information on the webpage [www.mfinante.ro](http://www.mfinante.ro), in the period of implementation (between the year of application and termination of the projects) the number of employees increased in total with 2041 at the 43 sample companies in the period of implementation of the SAPARD projects. There were create in total 2367 jobs (resulting an average of 55,1 created jobs per project) and 10.774 job were maintained (an average of 250,6 jobs maintained per project). Despite all this, in the same period, in 10 trading companies the number of employees decreased, with a total of 326 jobs.

In order to follow a long term impact of the investments with Measure 1.1 related to the creation and maintenance of jobs, we studied the evolution of the number of employees between the year of application for financing (differentiated per each particular project) and 2009. From these data it results that, as a whole, the number of the employees of the responding trading companies increased per long term, with a total of 1180 persons. Therefore, for the beneficiaries included in the sample, from the year of submission of the financing request until 2009 a total of 2734 jobs were created, 9546 jobs were maintained, and 1554 jobs were abolished. The Evaluator calculated the number of jobs created, respectively maintained, which are due to the SAPARD Programme by multiplying the totals with the percentage represented by the achieved investments from SAPARD funds of the total investments executed by the benefiting trading companies (in accordance with the respondents answers). Therefore we reached to 747 created jobs (an average of 17,4 jobs created per project, with a cost of 51.472,97 Euro per created job) and 2347 jobs maintained (54,6 jobs maintained per project, 16.382,75 Euro per maintained job).

Extrapolating the obtained results for the sample trading companies to all the financed projects with Measure 1.1, we can estimate the overall impact of the measures. Considering that the total involved public value of the contracts, for all the 459 projects benefiting from Measure 1.1 was 337.407.826,18 Euro<sup>34</sup>, applying the average of the amounts expended on a created/maintained job calculated for the projects in the sample, we can estimate that the investments financed with Measure 1.1 lead to the creation of 6.555 new jobs and contributed to maintaining a number of 20.595 jobs, representing a total of 27.150 jobs, 9,74% of the total number of employees (278.837 employees) at the level of national economy in the following fields: "Agriculture, chasing, and annexed services", "Forestry and forest holdings; fishery and fish farming", "food industry" and "Beverage manufacturing" (NACE rev. 2) in 2009.<sup>35</sup>

Also, from the survey on the beneficiaries it resulted that for 61% of the asked beneficiaries the financed investments facilitated the alignment to the EU veterinary and plant health control standards.

*Therefore, considering the very positive impact that the investments had on creating new jobs and aligning to the EU health and veterinarian standards, the Evaluator concluded that the investments executed with Measure 1.1 contributed to a good extent to the restructuring of the processing food industry in the involved sectors so that these would become competitive on the common market.*

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<sup>34</sup>In accordance with the Final report regarding the implementation of the SAPARD program in Romania, pg. 159, the amount engaged on 31.12.2009 for the 459 projects financed with Measure 1.1 was 337.407.826,18 Euro. For extrapolation, the value of the involved amount was used, not the paid amount (351.024.392,26 Euro), since for the sample project we only dispose of the public contracted value, in accordance with the Excel sheet *Lista beneficiarilor Programului SAPARD pentru Măsura 1.1* (<http://www.PARDF.ro/content.aspx?item=1999&lang=RO>) and we do not have data referring to the paid amounts.

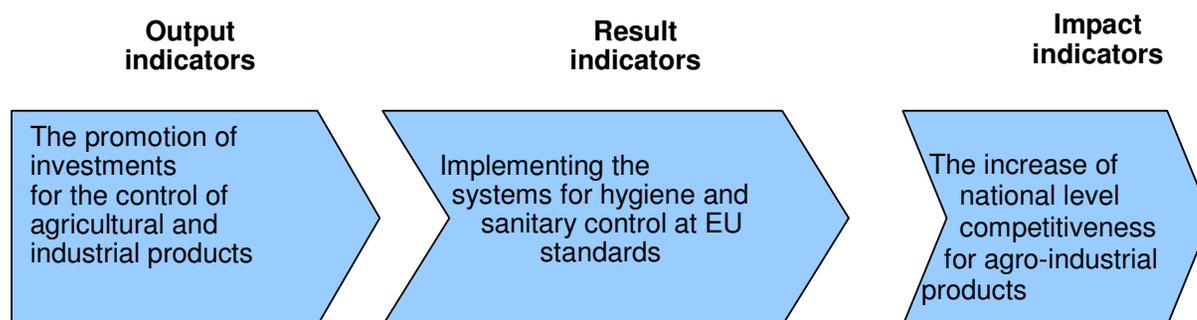
<sup>35</sup>Source: INS: TEMPO\_FOM104G\_6\_6\_2011

## B. Measure 1.2 “Improving the structures for quality veterinary and plant-health control, for the quality of food stuffs and for consumers protection”

As stipulated in art. 2 of the Council Regulation (EC) No. 1268/99, Measure 1.2 “Improving the structures for quality veterinary and plant-health control, for the quality of food stuffs and for consumers protection” general objective is to support the adoption of the “*acquis communautaire*” in the sanitary veterinarian, vegetal domain and concerning the controls regarding food quality, with the purpose to contribute to improving the quality of raw materials and Romanian agro-food finished products, allowing to increase domestic market competitiveness and the export perspectives.

The guarantee of quality of the agricultural products as an element of economic and social development involves the concrete possibility that the producers of the Romanian food goods be active actors on the European single market where they should be competitive. Also, a better quality of the products and of the production can provide a bigger added value in the domestic market too.

The intervention logics of Measure 1.2 can be described as follows:



Measure 1.2 used **77,68%** of its financial allowance, representing about 10 points below the average of the expenditure, in the SAPARD Programme, demonstrating a good expense **efficiency**. The results obtained through the investments are more than satisfactory in relation with the provided resources. Consequently, although there was not a complete efficiency of the Measure, **its efficiency** was full, as already indicated in the analysis of the physical results. Practically, all the beneficiaries who should have been involved participated to initiatives, reaching 100% of the anticipated target, and the result and impact indicators show a very good evolution and demonstrate that at present in Romania there is an efficient system of sanitary control for the animal breeding and vegetable production. The financing allowed the supply of a correct functioning of the quality control system of the agro-food products. The

networks of consolidated laboratories are, after the financing, fully integrated in the system of controls defined at EU level, and the quality standards are complied, being accredited by the corresponding control entities.

**Question B1:** To what extent have the investments supported contributed to improve the quality of foodstuffs and the consumers' protection, in compliance with the EU standards?

Criteria	Source of the indicators	Indicator description	Target	Achieved
1. Structures for quality , veterinarian and plant health control set up or improved thanks to assistance	Source EU Guidelines	Share (and description) of new or improved structures thanks to the assistance as compared to the total number of the structures for the quality, veterinary and plant health control (%), of which: (a) in the sanitary veterinarian sector(%) (b) in the plant health sector(%) (c) in the field of foodstuff quality control (%)		100%* (a) 100% (b) 100% (c)100%
2 Increase in the application of quality, veterinary and plant health standards in the involved sectors	Source EU Guidelines	Ratio of average annual number of analysis performed thanks to support and the annual average number of analysis performed prior to assistance of which: (a) in the sanitary veterinarian sector(%) (b) in the plant health sector(%) (c) in the food quality control (%)		41%** (a) 100%** (b) n.a.*** (c) n.d***
	<b>Result</b> indicators (source NPARD)	Ratio of the number of analysis, in compliance with EU standards, out of the total executed analysis  Improvement of the quality of animal and vegetal origin food	>90%	87,5%*
	Source EU Guidelines	The share of the laboratories which use the EU standards as reference (%), of which: (a) assisted laboratories (%)		100%* (a) 100%*

Criteria	Source of the indicators	Indicator description	Target	Achieved
EU standards systematically used as a reference for quality, veterinary, and plant health control	<b>Result</b> indicators (source NPARD)	The increase of the number of types of analysis in compliance with the EU standards, thanks to support, as compared to the number of types of analysis done before assistance granted to modernised laboratories	To increase by 20%	10%**
	<b>Impact</b> indicators (source NPARD)	The percentage of laboratories using harmonised standards or EU reference analysis methods: (a) for modernised laboratories	100%	100%* (a) 100%*

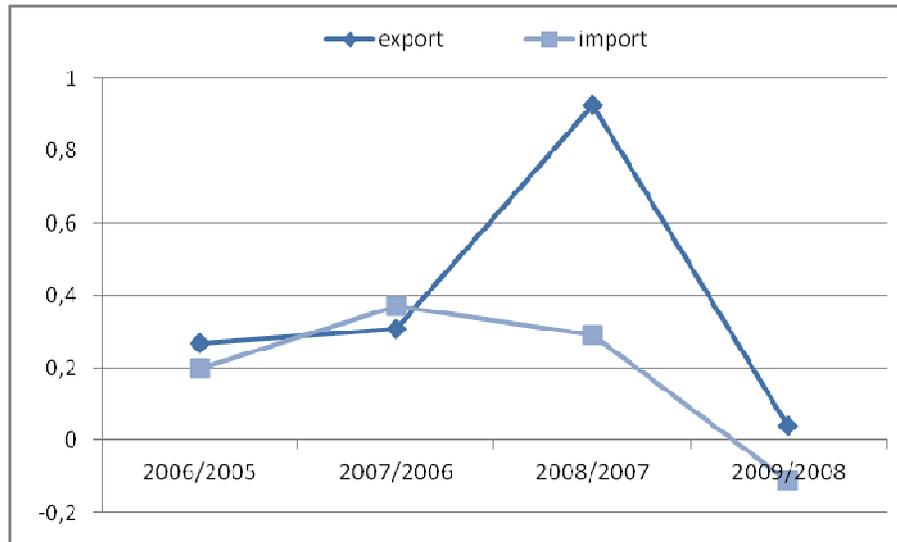
\*this is the value regarding the list of laboratories mentioned in Annex No.1 of the technical sheets for the SAPARD Measures defining the reference universe of the initiative.

\*\*estimation done by the evaluator upon the basis of data provided by the National Sanitary, Veterinary and Food Safety Authority, the percentage is given by the variation of the analysis methods introduced after the financing, of the total applied analysis methods.

\*\*\* unavailability of the information in terms of the total number of analysis in the reference sectors.

In essence, the three analysis levels, **output**, **result** and **impact** were successfully accomplished, and the values of the indicators presented in the initial table confirm the more than positive evolution, both in terms of improvement of the quality and the quantity of the analysis. It is correctly assessed that the network of public laboratories contributes this way in a more than positive manner to the improvement of the quality of the agro-alimentary production, as it results from the graphic below.

Graphic. Tendency of the commercial trade balance of agri-food products– variation of the annual base of the total of imports and exports



Source – Data elaborated by Evaluator from NIS and ICE data

It is obvious a decrease of the imports and exports after the 2009 crisis as compared to 2008, however exports were better as related to that of the beginning of 2008 when the first signs of weakness and decrease as compared to 2007 were visible.

On the other hand, in terms of exports, we can note a positive evolution once with the beginning of the quality and control system implemented with Measure 1.2 SAPARD, that is for 2008, when most of the laboratories started to work at full capacity.

These contextual information, correlated with the monitoring data of the Programme and the impact indicators allow us to state that to a great extent than relevant, the activities financed by this initiative allowed the improvement of the quality of the Romanian agro-alimentary products, promoting the export.

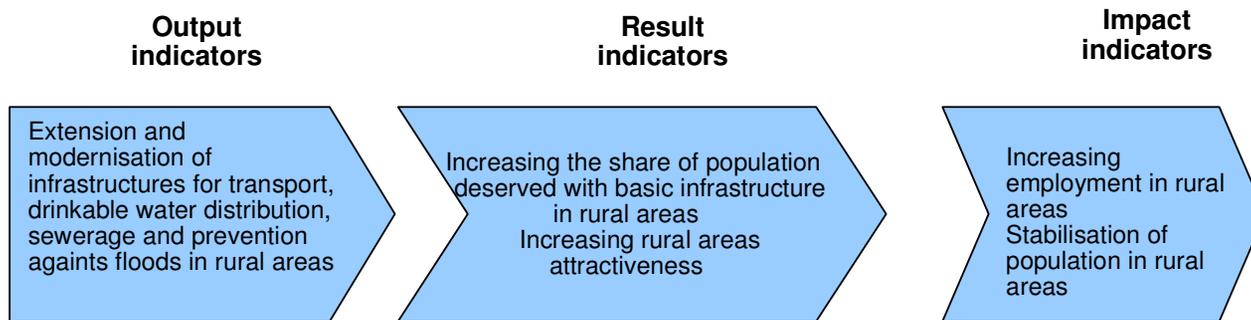
Despite all these, the concept of quality in the agricultural production, as defined in the European Union, especially for the PDO (Protected Designation of Origin), PGI (Protected Geographical Indication), or TSG (Traditional Speciality Guaranteed) products is not yet very clearly established in the context of national production. In 2011 only one Romanian product was included in the DOOR registry of the European Commission for the EU quality agricultural and food products (<http://ec.europa.eu/agriculture/quality/door/list.html>), including the PDO categories, TSG, or PGI and about 1.000 products.

In conclusion, the evaluator considers that the Measure contributed decisively to the support of the “*Acquis communautaire*” in the area of sanitary-veterinary, vegetal and food quality control, without taking into consideration the external variables which cannot be analyzed here. This judgment is supported by the largely positive values of all of the indicators of the measure taken into consideration, and also the results of the survey with the beneficiaries which shows that failure of the contribution, only 15% of the beneficiaries would have done the investment anyway, therefore proving the relevance and the need of this initiative as defined in the programming phase.

### C. Measure 2.1 “Development and improvement of rural infrastructure”

In line with the dispositions included in article 2 of Council Regulation. 1268/1999, in SAPARD Romania was also activated a measure aiming at developing and improving rural infrastructures, Measure 2.1. The latter stipulated four sub-measures in the following domains: 1. Roads in rural areas; 2. Water supply in centralised system in rural areas; 3. Sewage in centralised systems in rural areas; 4. Infrastructure for prevention and protection against the floods.

Measure 2.1 **Intervention logics** can be described as follows:



Measure 2.1 proved to have a very good expense **efficiency**, at 31.12.2009 being **paid 90%** of the available funds. Moreover, Measure 2.1 was characterized by the fact that the available amounts at the beginning of the programming period proved to be too low as compared to the needs, (in 2004 already 70% of the projects value being approved from the amounts allocated until 2006), which lead to several financial re-locations among the measures of the Programme in favour of the measure 2.1. It is also noticeable a very high **efficiency**, as the established targets being exceeded both in the number of the implemented and in terms of the number of the inhabitants benefiting from these improvements. More in detail, if we take into consideration the effective products of the projects, that is the number of km of road, km of water ducts, km of infrastructure of prevention and protection against floods (in other words „executed km of infrastructure”), it results that all the sub-measures reached their objectives and even exceeded the targets established in NPARD.

**Question C1.** To what extent have the type and extension of the rural infrastructure activities been in accordance with the priority needs of the rural area concerned?

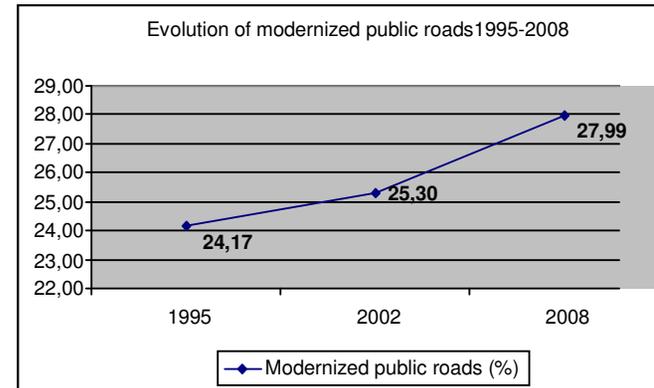
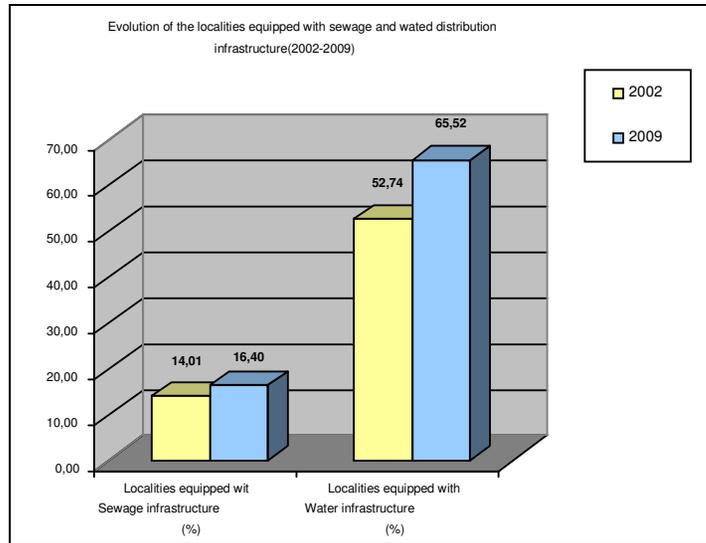
Criterion	Source of the indicators	Indicator description	Target	Achieved
The investments made respond to the priority needs identified during the ex-ante evaluation / programming period	Source EU Guidelines	Identified priority needs addressed by the intervention (description)	-----	100% see evaluation answer

#### Answer to the evaluation question:

This demonstrates once again the fact that Measure 2.1 responded in an appropriate manner to the existing needs in the rural areas as these were approached to an even larger extent than anticipated. From this point of view, of course, we can assess that *the achieved investments, the type and the extension of the activities, are an answer to the priorities identified during the ex-ante evaluation / programming period, as NPARD showed very clearly that infrastructures of the rural areas in general and, in special, transport, water distribution and sewage infrastructures were in 1997-1998, before the implementation of the SAPARD Programme, very poor.* Half of the rural localities were not directly connected to the main roads and less than 10% of the local and county roads were modernised; the water network covered about 20% of the rural localities, that is a quarter of the rural population; the sewage network covered less than 3% of the rural localities. After the implementation of the SAPARD Programme (and other financing Programmes for the rural infrastructure), the situation clearly improved as compared with the situation of 1997-1998 (as described in the figures below) however it still presents major inconveniences which shall be approached including via NRDP 2007-2013. From this aspect, it is noticeable the fact that the share of the holdings, households, business which have access to the sewage and water supply infrastructure calculated as an average is still below 50% (40,96%). On the other hand, the target about the increase of the flow of tourists in the rural areas, calculated as a number of arrivals in agro-tourism areas, was largely reached, as their number in 2009 was five times larger than the number recorded in 2002. Although the improvement of the infrastructure is not the only factor which lead to this result<sup>36</sup>, it certainly had an essential role as resulting from the opinions of the interviewed beneficiaries of the measure 2.1 (see below).

Other needs identified with NPARD 2000-2006 were approached through ISPA and PHARE pre-accession Programmes and, in the following programming period by other funds, such as EFRD (The European Fund for Regional Development), financing other operational programmes, such as the Regional Operational Programme 2007-2013 (providing intervention for supporting school and health infrastructure) and the Sector Operational Programme for the Increase of Economic Competitiveness (supporting initiatives for the development of communication and energy distribution infrastructures).

<sup>36</sup> The increase of the number of the agro-tourism reception structures is the second essential factor.



*There were used data regarding the public roads (total) considering that 4/5 of these are county and local roads*

**Question C2.** To what extent have the supported investments contributed to improve the competitiveness of rural areas?

Criterion	Source of the indicators	Indicator description	Target	Achieved
The investments supported have improved the access of holdings/ businesses to potential markets	Source EU Guidelines	Average reduction of transportation time to / from the beneficiary areas from/to the nearest capital regional cities (%) (emphasis should be made on areas where SAPARD is the main assistance fund for rural development (> 50% from public assistance received of rural infrastructure))	_____	40%
	Result indicators (source NPARD)	Percentage of holdings / households/ business with access to infrastructure benefiting from support	Increase by 50%	70%
	Result indicators (source NPARD)	Increase of tourist frequency in rural areas (number of tourists and length of stays)	_____	325.686 (the number of arrivals)
	Impact indicators (source NPARD)	The number de created jobs: (a) In the period of execution of the project: (b) permanent jobs	14.000 1.400	16.368 852
Better supply of energy for economic activities	Source EU Guidelines	Share of rural holdings / businesses having improved access to energy supplies, thanks to assistance (%)	n.a.	Not applicable**

\* in accordance with the results of the queries, the population passed from 22% to 70% (which represent an increase of about 214%).

\*\* The Programme did not finance initiatives of improvement of the energy reserves

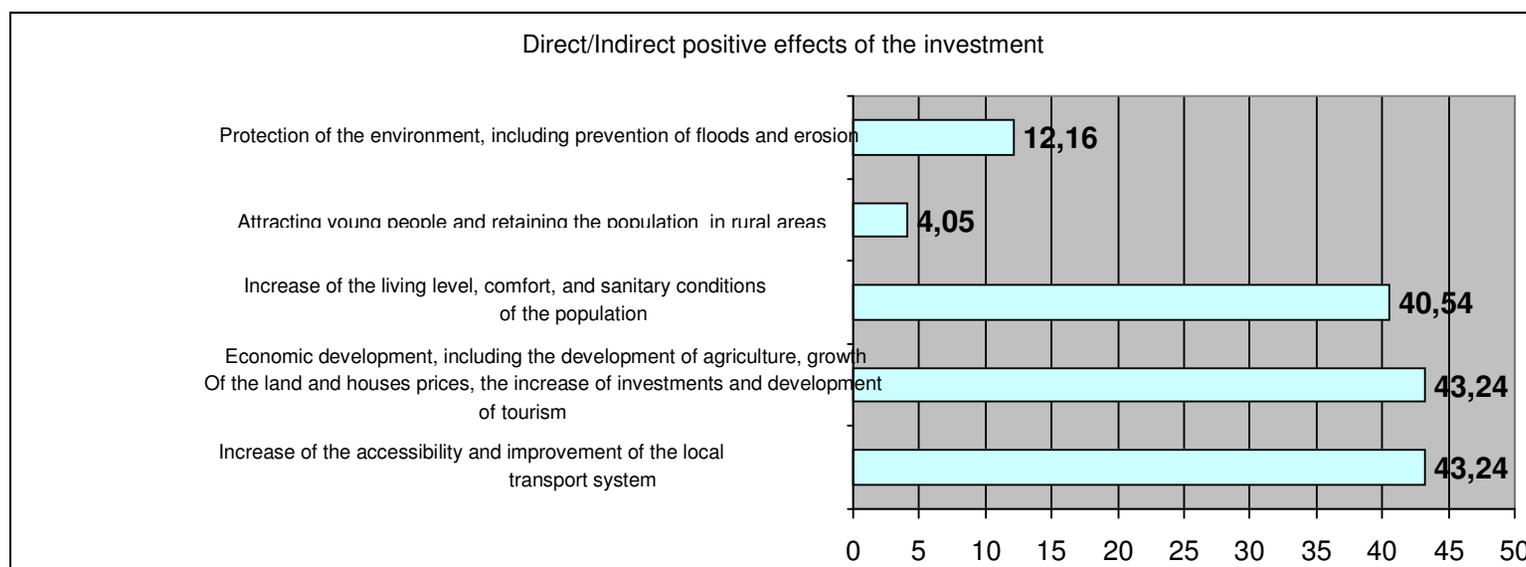
**Answer to the evaluation question:**

*In general, of course, the modernisation and extension works of the executed infrastructures in the period 2002-2009 contributed to a certain extent to the improvement of the competitiveness of rural areas and quality of life of the inhabitants of the interest areas.*

This assertion is confirmed by the results of the queries submitted to the beneficiaries of Measure 2.1, especially in consideration of the answers received to question „Can you identify the direct or indirect positive effects of the financed investment?” More in detail, the answers were grouped in five categories, that is:

1. the increase of the accessibility of the area and the improvement of the local transport system;
2. the economic development, including the development of agriculture, the increase of the price of grounds and houses, the increase of investments, and the development of tourism;
3. the increase life level, comfort and/or the sanitary conditions of the population;
4. attracting young people and keeping population in the rural areas;
5. the protection of the environment, including the prevention of floods and land erosion.

The answer was largely multiple, indicating that the development of the infrastructures contributed to the improvement of more elements in the rural area, including the economic development, the general life level, the stabilization of the population, and the protection of the environment. Therefore, about 40 - 43% of the questioned beneficiaries provided answers related to the three first identified categories, about 12% underlined the effect of the investments for the improvement of the environment conditions, and 4% of the beneficiaries of the measure 2.1 mentioned the contribution thereof to the stabilization of rural population, including the attraction of young people and decrease of the rural – urban exodus.



Also, more than 92% of respondents said that the financed investment lead to the increase of the attractiveness of the villages for people and companies.

More in detail, in connection with the contribution of the investments to the increase of the competitiveness of rural areas, the Evaluator can assert that this was very important, especially in terms of capacity of the investments to favour the economic increase and creation of new jobs. Especially the large majority of the beneficiaries (about 90% of the answers) noted an improvement of competitiveness by the increase of the investments in the area, including constructions (as the prices of houses grew with the infrastructure improvements), tourism (especially by arranging new structures of tourism reception, such as agro-tourism), of agriculture and trade.

More in detail, as regarding *the average decrease of transportation time from/to the areas of the beneficiaries from / to the closest county capitals (%)*, it is worth mentioning that the beneficiaries had difficulties measuring this indicator: about a quarter did not respond to this question. However, from their answers, we can assert that the average decrease of the transport time was 40%.

As for *The percentage of holdings/households/business with access to the infrastructure benefiting from support* the anticipated target was widely exceeded, the results of the queries showing an increase of the share of the population from 22% to about 70%, which means that the population helped is more than triple after the investments were terminated (+214%). This percentage can be transferred to holdings/households/businesses in the areas where the investment was done.

Also, an important increase, above 500%, was noticed at the level of arrivals of tourists agro-tourism facilities (as this is a certain indicator regarding the development of tourism in rural areas), the number of tourists in agro-tourism facilities increasing from 64.811 to 325.686 in the period 2002-2009 (Source: NIS – the information refers to the entire national territory), the improvement of the infrastructure being certainly one of the elements which competed for the development of this economic sector.

As for the capacity of investments to create jobs, we can assess that the works lead to the increase of the number between 14.400 and 16.368 jobs in the period of execution of the projects. This estimation is based on the following considerations:

1. The programming document had estimated the creation of a number of 14.000 de jobs by the implementation of 724 projects, that is about 19 jobs per project. Considering that there were implemented 847 projects, the number of created during the execution of the projects is estimated to about 16.368 (847\*19).
2. This estimation is validated by the experience of other EU countries (such as Italy) for the execution of an infrastructure work for 1 million euros needs 15 works to execute the construction and 9 other workers of other relevant sectors, that is a total of 24 workers. Considering that the average value of the projects financed with Measure 2.1, totalizing 708.737 euros, a project financed with Measure 2.1 needed 17 workers, multiplied by 847 projects would result 14.400 created jobs.

As for the number of permanent jobs, these can be estimated only to a certain extent, from the results of the survey within beneficiaries. Upon the basis thereof, part of the benefiting administration of the SAPARD projects (representing about 41% of the total) created an average of 2-3 jobs in view of the

implementation of the projects. These numbers, applied to the universe of the beneficiaries, result into 852 jobs that the Evaluator suggests permanent as they entered to be part of the employed personnel of an organisation of public administration, certainly, the number of permanent jobs is underestimated, considering the created/modernised infrastructures need maintenance works. However the number of finalized permanent jobs at the maintenance of the infrastructures could not be exactly assessed, as the Evaluator suggests that about 39% of the beneficiaries of the measure 2.1 declared that, due to the lack of the funds, cannot maintain the investments, and almost 7% of them could not respond the question „Do you consider that the maintenance of the infrastructure can be done easily, or is it a big charge in terms of human resources and investments?”.

Moreover, it is noticeable that 74% of the respondents would have not realised the investment without the financial support with the SAPARD Programme, the remaining of 28% being equally divided between those who would have achieved the works anyway and those who do not know/do not answer, as the deadweight effect being low (about 14%).

**Question C3.** To what extent have the supported investments contributed to improve the quality of life of the beneficiary rural population?

Criteria	Indicators source	Indicator description	Target	Carried out
Remoteness alleviated	Source EU Guidelines	Transport / journeys facilitated or avoided due assisted actions (description and kilometers and / or hours avoided per year)	-----	1,85 million hours / year
Housing and sanitary conditions improved due to assistance	Source EU Guidelines	Share of rural population having access to improved electricity / sewage / drinking water / waste disposal services thanks to the assistance (%)	-----	70%
	<b>IMPACT</b> indicators (source NPARD)	Evolution in the number of inhabitants	10.195.024 (2002) *	9.663.516 (2009) <b>-5,21%</b>
Waste treatment improved thanks to the assistance	Source EU Guidelines	Share of solid waste / wastewater treated thanks to the assistance (%)	Increased percentage of treated water volume and increased number of served holdings/households	+24%*
	Result indicators (source NPARD)	Residual products / wastewater drainage / wastewater treatment in treatment plants due to the assisted actions		

\* there is not a target in NPARD for this indicator: in the table it was recorded as the value of the number of inhabitants in the rural area in 2002 as a baseline to calculate the evolution of the number of inhabitants, as requested by the indicator.

*\*\* this percentage represents the increase of the number de localities connected to sewage networks between 2002-2009.*

#### **Answer to the evaluation question:**

More than 97% of beneficiaries of measure 2.1 said that they noted an improvement in the quality of life of the population living in the area, as the motivation was the increase of accessibility and the general improvement of the hygienic/sanitary conditions of the population. Therefore, in general, *we can certainly say that the supported investments contributed to a large extent to the improvement of the quality of life of the benefiting rural population.*

A more careful look on the indicators, quantified in accordance with the results of the survey with beneficiaries of the measure 2.1 shows the following:

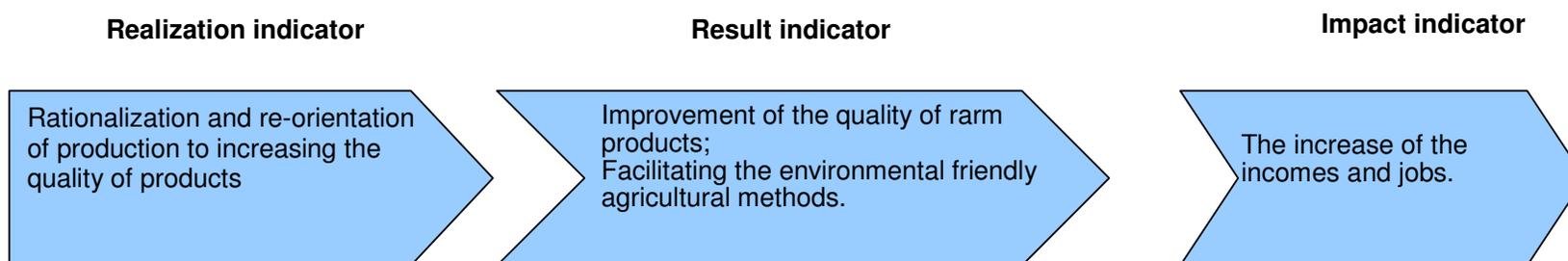
- an economy of more than 1,85 million hours per year was made with movements, due to the assisted actions. In fact, from the answers of the beneficiaries, it results an economy of about 14.311 hours per month, that is 154.285 hours per month in relation with all the 442 projects which financed roads in rural areas, that 1,85 million hours per year.
- As already mentioned, , the share of population connected to the water/sewage networks increased from 22% to about 70% in the areas in which co-financed investments within the SAPARD Programme were done. Despite all these, the needs of investments at national level remain high, especially in terms of endowing the infrastructure with sewage, the share of rural localities connected to the infrastructure not exceeding 20% yet.
- in terms of impact of the interventions on the evolution of the population, we must say that the isolation of the effect caused by each factor which contributes to the demographic phenomena is a possible exercise only by means of a dedicated statistic and sociological research. Moreover, the evolution of rural population in Romania, characterised by a decrease of 5,21% in the period 2002-2009, can be considered mainly in two principal demographic phenomena, both independent from the factor of endowment with infrastructure in the rural areas: 1. The population ageing, characterizing the population of all Europe, and especially in rural areas; 2. The phenomenon of late urbanization of the Romanian population. On the other hand, the analysis of the evolution of the population per development regions and counties, shows a large variety of this indicator at territorial level. For instance, four counties (located in Centre, North-East, and South-East) recorded a decrease of urban population, and increase of rural population, that is: Braşov (+3,97%), Covasna (+0,98%), Bacău (+2,04) and Constanţa (+5,3), and the county of Iaşi recorded an increase of both urban (+3,76%) and rural population (+1,05%). Moreover, in eight counties (located in the regions of Centre, South-East, South Muntenia and West) the rural population decreased less than the urban population that is: Harghita, Brăila, Galaţi, Vrancea, Călăraşi, Prahova, Caraş-Severin and Hunedoara. For these counties we can assume that an improvement of the rural infrastructure contributed to a positive evolution of the rural population, however we must consider that other factors could have played a role, including the industrial and jobs crisis of the large cities of these counties, as well as the case of Iasi is, a general demographic tendency of demographic increase, both in the cities, and in the rural areas.

- The increase of the percentage of the treated water volume cannot be estimated exactly: however, in order to assess an indicative percentage, the Evaluator suggested the increase of the *share* of the localities with central sewage system, increasing from 378 (2002) to 469 (2009), representing a 24% growth of these localities, and, by extrapolation, of the residual / treated waters.

#### D. Measure 3.1 “Investments in agricultural holdings”

As stipulated in art. 2 of Council Regulation (CE) 2759/1999/CE adopted by the European Commission, Measure 3.1 “Investments in agricultural holdings” shall provide the grounds of for the implementation of the *acquis communautaire* in the agricultural holdings and the general goals are the rationalization and re-orientation of the production to the increase of the quality of the products obtained by the application of such competitive technologies which could limit the pollution of the environment; the improvement of the incomes of agricultural producers, by improving the life conditions as well as providing hygiene and well being conditions for the animals.

**Intervention logics** of Measure 3.1 can be described as follows:



Measure 3.1 used 91% of the financial allocation, which represent a higher value than the general trend of the Financial Plan of the SAPARD Programme which was as an average of 89%, demonstrating a high financial **efficiency**. Considering the general result indicator regarding the number of aimed projects (11.000) and the total allocated budget (259,1 mil. Euro), **the technical efficiency** is low due to the small number of contracted projects (18% only).

**Question D1:** To what extent have the supported investments contributed to improve the income of beneficiary farmers?

Criteria	Source of the indicators	Indicator description	Target	Achieved	Observations
1.1 The income of beneficiary farmers has improved	Result indicators (source NPARD)	Ratio of expenditure to turnover of the farms having benefited from assistance is estimated to be lower	<10%	Not achieved	Ratio of expenses to turnover 97% in the year of application, 103% in the year of project finalisation , 102% in 2009 (Source: <a href="http://www.mfinante.ro">www.mfinante.ro</a> )

Criteria	Source of the indicators	Indicator description	Target	Achieved	Observations
	Impact indicator (source NPARD)	Increased "Gross farm income" of the farms having benefitted from assistance (EURO)	>20%.	40,4%	The increase of the incomes in the project application and finalisation (Source: <a href="http://www.mfinante.ro">www.mfinante.ro</a> )
	Source: EU Guidelines	"Gross farm income" of assisted holdings" (€)	--	40,4%	77% of the beneficiaries had a growth of the incomes, subsequent to SAPARD financing (survey)

#### Answer to the evaluation question:

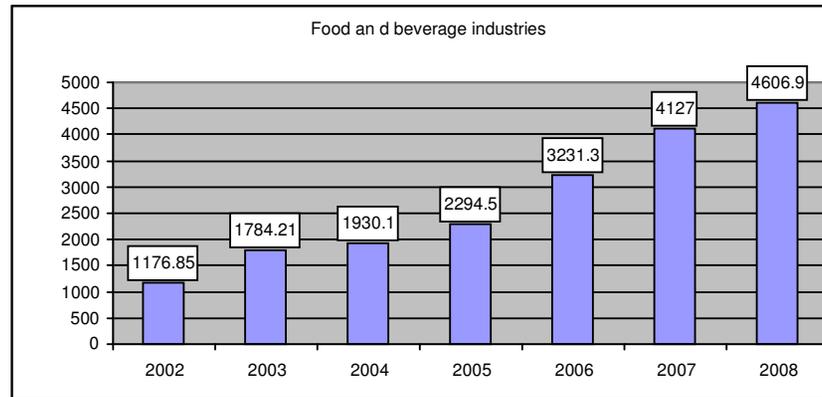
The analysis of the indicators regarding criterion 1.1 shows a positive effect of financing on the income. These data resulted from the analysis of the information reported by the Ministry of Public Finances ([www.mfinante.ro](http://www.mfinante.ro)). The analysis of the indicators in terms of criterion 1.1 shows a positive effect of the financing on the income. These data resulted in the analysis of the data from the Ministry of Public Finances ([www.mfinante.ro](http://www.mfinante.ro)), where 68,92% of the agricultural holdings were identified and included in the sample (51 trading companies, family associations and independent farmers not being recorded in the database of the Ministry of Public Finances). In accordance with the tax information, in the case of these trading companies, between the year of presentation of the financing request and 2009, the turnover increased by about 11.30%, and the incomes increased by 16,88% (considering the inflation rate). The increase of the incomes was larger in the period between the year of submission and year of termination of the project (40,4%), however this was not a sustainable growth.

To this analysis we add the direct investigation on the beneficiaries, of which it resulted that 77% had an increase of the gross income of the holdings, after the SAPARD financing.

Therefore, considering the tax information provided by the Ministry of Finances, and the statements of beneficiaries of the measure, the Evaluator **concluded** that the investments contributed to a good extent to the improvement of the farmers' incomes.

As shown in the following figures, at national level, the investments increased in food and beverages industry between 2002-2008 almost by 300%, and the net income of the companies in agriculture showed variable values in this period.

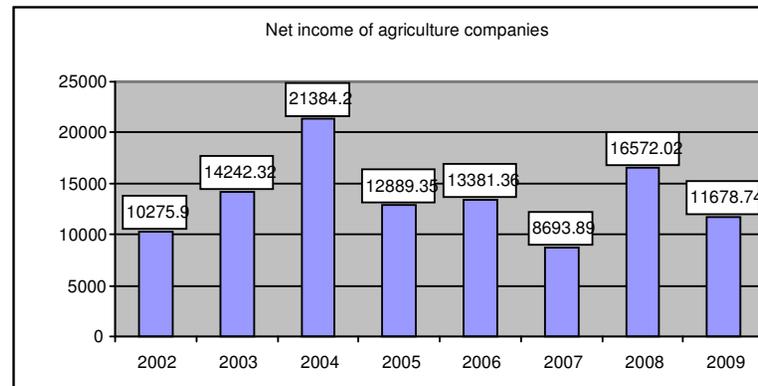
Millions of RON



Source: INSE TEMPO\_INV101D\_28\_6\_2011

Figure: Investments in food and beverages industry in Romania

Millions of RON



Source: INSE TEMPO\_AGR208A\_28\_6\_2011

Figure: Economic accounts of agriculture – Net income of agriculture companies in Romania

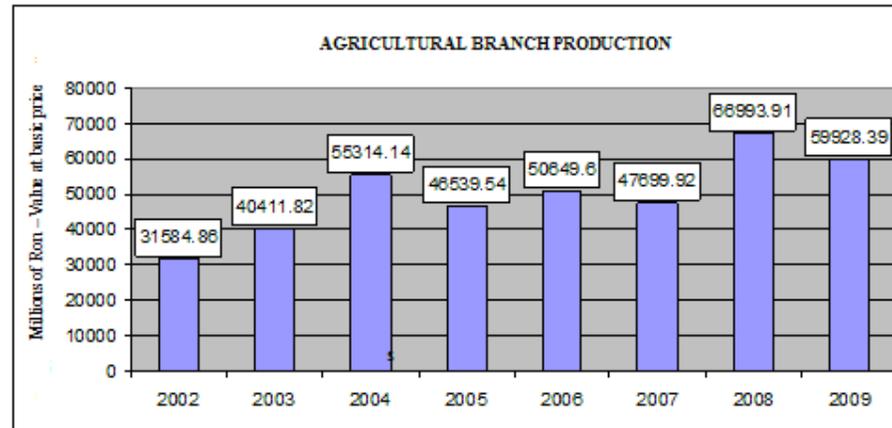
**Question D2:** To what extent have the supported investments contributed to a better use of the production factors on holdings?**Observations**

2.1. Increase in factor productivity	Result indicators (source NPARD)	Ratio of "output" and "total input" on assisted farms Reduced cost per unit of product sold (EURO/ measurement unit) on the farms having benefitted from assistance	> 20%  < 10%	n.d  n.d	There are not data obtained from monitoring tables, nor could they be obtained from the survey, the beneficiaries not having the evidence of unitary production costs, especially before implementing the projects
	Source EU Guidelines	Output per hectare on assisted holdings (€/ha) Output per hour of labor on assisted holdings (€/ha) Cost per unit of basic products sold (e.g., €/ton, €/m <sup>3</sup> , etc.) on assisted holdings	--	n.d n.a.	

**Answer to the evaluation question:**

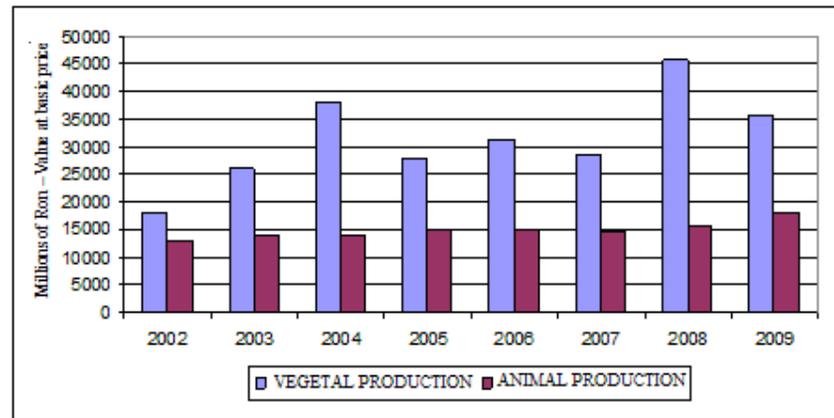
In connection with criterion 2.1, it shall be remarked the total lack of evaluation indicators. There are no data referring thereof neither in the monitoring tables, nor from the direct investigation, as there is no an evidence of the unitary production costs especially before implementing the projects.

Analysing the macroeconomic data referring to the production of agriculture, we can note an increase in 2009 as compared to 2002, the highest value being reached in 2008. The animal production grows almost constantly, and the vegetal production show a similar tendency with the production of agriculture.



Source: INSE TEMPO\_AGR208A\_28\_6\_2011

Image: Economic accounts in agriculture – Production of the agricultural branch in Romania



Source: INSE TEMPO\_AGR208A\_28\_6\_2011

Image: Economic accounts in agriculture – Vegetal and animal production in Romania

The main financial indicators of the companies in the food industry have followed an upward tendency, in the period between 2005-2007. The production of the financial year has increased by 30% and the gross result of the financial year by 73%

**Table: Main indicators of the companies in the Romanian food industry (Lei RON)**

	2005	2006	2007
<b>Total turnover</b>	25,966,449,157	29,769,090,384	33,547,564,908
<b>Production of the financial year</b>	22,206,900,473	25,391,265,457	28,794,823,151
<b>Gross added value to the cost of the factors</b>	4,808,994,938	5,645,622,500	6,913,979,825
<b>Gross operation surplus</b>	2,589,802,374	3,024,154,329	3,658,935,228
<b>Gross result of the financial year</b>	1,072,253,379	1,956,101,809	1,856,570,259
<b>Direct export</b>	795,050,556	739,994,369	997,303,924
<b>Achieved net investments</b>	2,312,192,976	3,224,264,067	4,031,890,010
<b>Gross investments</b>	3,305,852,576	4,378,189,425	6,205,703,501
<b>Share capital on December 31</b>	3,396,003,801	3,249,597,121	3,998,913,183

Source: INSE TEMPO\_IND109A\_27\_6\_2011

Based on the macroeconomic data and the data from the direct investigation of the beneficiaries, we can conclude that the achieved investments have contributed to the increase of the productivity of benefitting operations (66% of the beneficiaries positively assess that the modernization of production conditions and of the afferent processing procedures have favoured an increase of the operation production and 58% of the beneficiaries positively assess that the investments carried out have contributed to the decrease of production losses), which may be achieved only through a more efficient use of the production factors.

**Question D3:** To what extent have the supported investments improved the quality of farm products in compliance with EU standards?

Criteria	Indicators' source	Description of indicators	Target	Achieved	Observations
3.1. The quality of farm products has improved in compliance with EU standards	<b>Result</b> indicator (source NPARD)	Ratio of price of basic products with improved quality thanks to the assistance to average price of the respective products should be increasing	>1 and rising	n.a.	There is no data in monitoring tables and no data could be obtained through survey
	Source: EU Guidelines	Share of products in assisted holdings sold with quality label (%), of which: (a) complying with EU food quality standards (%) (b) labels related to organic farming (%)	-	22% of the beneficiaries commercialize products with quality labels  (a) n.a. (b) n.a.	Source: survey  There is no data in monitoring tables and no data could be obtained through survey

**Answer to the evaluation question:**

Investments carried out through Measure 3.1 have contributed to the modernization of production conditions and of the afferent processing procedures, by adaptation to the European standards, in case of respondents, which implicitly implies an improvement of agricultural products in compliance with the EU Standards.

The high achievement capacity (81%) of the suggested targets, referring to the number of purchased facilities and equipment, indirectly implies a high degree of achievement for the criterion 3.1 for the improvement of product quality in compliance with the EU Standards, both through the improvement of production processes, as well as through the adoption of European Standards for product processing by means of new equipment/installations, in compliance with EU Norms.

Moreover, based on survey, we may assert that 76% of the beneficiaries believe that the investment has determined changes in the quality of products.

In case of the category „Acquisition of animals with high genetic value”, the achievement capacities have been below the aimed target, the highest being achieved in the subcategory „Sheep/goats” (18%), which indicates that the opportunities offered by the SAPARD Programme for the improvement of animal products have not been fully applied.

From the survey it results that, 22% of the beneficiaries commercialize products with quality labels, these labels insuring also the fulfillment of EU quality standards.

Based on these information, the **Evaluator** believes that the investments supported through Measure 3.1 have improved the quality of agricultural products, in compliance with EU standards, in a significant manner for all the beneficiaries, the achievements being close to the expectations.

However, in 2011 a single Romanian product is included in the European Committee's PDO register, for qualitative agricultural and animal products in the EU (<http://ec.europa.eu/agriculture/quality/door/list.html>), which suggests that, even though the supported investments have improved, to a certain extent, the quality of agricultural products, in compliance with EU standards, still there are measures which need to be taken for the official acknowledgment of this quality.

**Question D4:** To what extent have the supported investments improved production conditions in terms of better work conditions in compliance with EU standards?

Criteria	Indicators' source	Description of indicators	Target	Achieved	Observations
4.1. Working conditions have improved	<b>Result</b> indicator (source NPARD)	Reduced exposures to the following should be recorded: toxic substances, malodorous substances, dust, extreme weather conditions, lifting of heavy loads, exaggerated working time	Shall be reduced	n.d	There is no data in monitoring tables and no data could be obtained through survey

	Source: EU Guidelines	Share of assisted holdings applying improvements akin to EU standards for working at safety and health conditions (%)	-----	n.a.	There is no data in monitoring tables and no data could be obtained through survey
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**Answer to the evaluation question:**

The security improvement at the workplace may be observed only from the context data: the number of people involved in accidents at the workplace, in companies carrying out activities in agriculture, forestry, fishing and the food industry has decreased by 28% between 2003-2007 and by 15% between 2008-2009.

Furthermore, 12% of the beneficiaries mention better work conditions among the direct and indirect positive effects generated by financing actions.

Certainly, the beneficiaries who have purchased new installations/equipment through the SAPARD Programme may observe improvements in work conditions (such as the reduction in lifting of heavy loads) and of course, these beneficiaries, as long as they use the new installations/equipment, they apply the EU standards for safety and health at the workplace, however these elements may not be exactly quantified due to the fact that the monitoring system does not allow the indication of the types of investment achieved for each beneficiary/project.

Thus, considering the context data, the results of the inquiry of these beneficiaries, as well as the qualitative hypotheses concerning the effects of using certain installations/equipment, in compliance with the EU standards, the Evaluator may conclude that the supported investments have improved, to a certain extent, the production conditions, through better work conditions and in compliance with EU standards.

**Question D5: To what extent have the supported investments improved production in terms of animal welfare in compliance with EU standards?**

Criteria	Indicators' source	Description of indicators	Target	Achieved	Observations
5.1. Animal welfare has improved	Result indicator (source NPARD)	Percentage of farms having benefitted from assistance aligned to the new animal welfare standards is estimated to increase	> 90%	n.a.	There is no data in monitoring tables and no data could be obtained through survey
		Percentage of animals housed in conditions complying with Community standards in the farms having benefitted from assistance	> 90%	n.a.	
	Source: EU Guidelines	Share of assisted holdings meeting EU animal welfare standards (whether or not the co-financing concerns animal welfare) (%)	-	n.d	There is no data in monitoring tables and no data could be obtained through survey
		Share of animals housed in accommodation that meets EU standards on assisted holdings (whether or not the co-financing concerns animal welfare) (%)		n.a.	

**Answer to the evaluation question:**

Most certainly, the beneficiaries who have carried out investments for the improvement of animal shelters, in the sub-measures from the field of milk and meat, have insured animal welfare conditions in compliance with community standards, but this cannot be quantified exactly, due to the fact that the monitoring system does not allow the indication of the types of investment achieved for each beneficiary/project.

Considering the facts stated above, the Evaluator may conclude that the supported investments have certainly improved, to a certain extent, the production conditions concerning animal welfare, in compliance with EU standards, even though this cannot be quantified exactly.

**Question D6: To what extent have the supported investments facilitated environmentally friendly farming?**

Criteria	Indicators' source	Description of indicators	Target	Achieved	Observations
6.1. Integration of environmental concerns into farm investments	Result indicator (source NPARD)	Percentage of beneficiary farms out of the total assisted farms where more than 10% of the total investment co-financing is allocated to environmental improvement, of which: -relating to waste and excess manure (%) - relating to on-farm water management (%) -other environmentally friendly farming practices / systems (%)	>30%, compared to the total no. of assisted farms	n.a. 0% 1% n.a.	There is no data in monitoring tables and no data could be obtained through survey  Irrigation works
	Source: EU Guidelines	Share of beneficiary holdings introducing improvements thanks to the co-financing (%), of which: (a) with the environmental improvement as the direct aim of the investment (%) (b) as a collateral effect (e.g., due to new equipment acquired mainly for economic purposes) (%) (c) relating to stable waste and farm manure (%) (d) relating to on-farm water management (%) (e) relating to (other) benign farming practices / systems (%) Equipment	-----	n.a. (a) n.a. (b) n.a. (c) 0% (d) 1% e) n.a.	There is no data in monitoring tables and no data could be obtained through survey  Irrigation works

	<b>Result indicators</b> (source NPARD)	Ratio of green investments  The number of projects in disadvantaged areas, defined in compliance with the Governmental Emergency Ordinance no. 24/1998 (republished) concerning disadvantaged areas	20%  2400	n.a.  Unachieved	There is no data in monitoring tables and no data could be obtained through survey  Only 1925 projects have been financed in full, most of which outside disadvantaged areas
6.2. Improved storage and landspreading of farm manure	<b>Result indicators</b> (source NPARD)	Ratio of stable refuse storage capacity of the farms having benefitted from assistance to total refuse quantity obtained in the assisted farms Percentage of farms having benefitted from assistance aligned to standards as regards the farm refuse  The percentage of farms which have benefitted from assistance and which improve the storage capacity and distribution of manure on the field.  From which: - storage (%) - distribution of manure on the field (%)	>0,8  >30%  > 30%	n.a.  n.a.  n.a.	There is no data in monitoring tables and no data could be obtained through survey
	Source: EU Guidelines	Share of assisted holdings improving storage /landspreading of farm manure (%), of which: (a) co-financed from the assistance (%) (b) storage (%) (c) landspreading (%) Share of assisted holdings meeting EU standards concerning farm manure (%)	-----	n.a.	
	<b>Result indicator</b> (source NPARD)	Creation of jobs and social impact: Number of maintained full-time equivalent jobs Number of newly created full-time equivalent jobs Increased number of young people settled in the rural area: - of which, farm owners	16.800  3.200  2.400  600	10.914  2.490  n.a.  594	There is no data in monitoring tables and no data could be obtained through survey  Beneficiaries under the age of 40

**Answer to the evaluation question:**

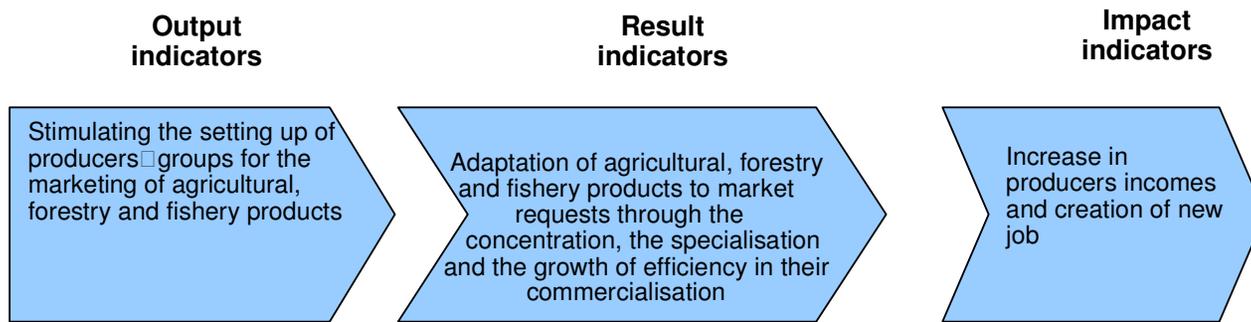
Following the survey realised on beneficiaries, it resulted that the majority have positively assessed the fact that the investments carried out have facilitated the adoption of environmentally friendly work conditions (65% of the beneficiaries), due to the purchase of modern installations and equipment at European standards (with the help of certain equipment necessary for the application of treatments for plants, the risk of soil and air contamination and the degree of pollution in the administration of chemical fertilizers and the gas and powder emissions is reduced, the sowing and harvesting periods are shortened, the soil compaction is avoided, the quantity of fuel and pesticides used is reduced), due to the installation of collection tanks for debris and of a waste water treatment plant (waste management in farms), optimization of the operations, reuse of manure for the fertilization of agricultural lands, prevention of soil erosion, introduction of ecological septic tanks and concrete basins for waste storage, the use of new waste management systems, not using pollutant materials for cleaning sheds. Based on the results of the questionnaires and the indicator, which determined the „Percentage of beneficiary farms from the total of assisted farms, representing more than 10% of the total co-financed investments for environment improvements >30%” with a high achievement performance (75% of the farms having 57% from the total of investment co-financing for environment improvements) we may conclude, that criterion 6.1 has been partially fulfilled. We have no data to calculate the ratio of green investments and the number of projects in disadvantaged areas is zero, due to the fact that the total number of projects approved through Measure 3.1 does not reach the target of this indicator.

The investments carried out through Measure 3.1 have had diversified effects on the maintenance and creation of new workplaces. Analysing the results obtained for trade companies, from the pattern for all the projects financed through Measure 3.1, the Evaluator may estimate that the investments financed through Measure 3.1 have led to the creation of 2.490 new workplaces and have contributed to the maintenance of 10.914 workplaces. However, the Evaluator must add that, for approximately 20% of the beneficiaries, the number of employees has decreased and this fact is explained through the replacement of human work force with installations and equipment purchased from the SAPARD financing Programme.

### E. Measure 3.2 “Setting up producers’ groups”

In compliance with the provisions of article 2 of the Council Regulation no. 1268/1999, in the SAPARD Programme for Romania, a support measure has been activated for the associations of producers.

Measure 3.2 **Intervention logics** can be described as follows:



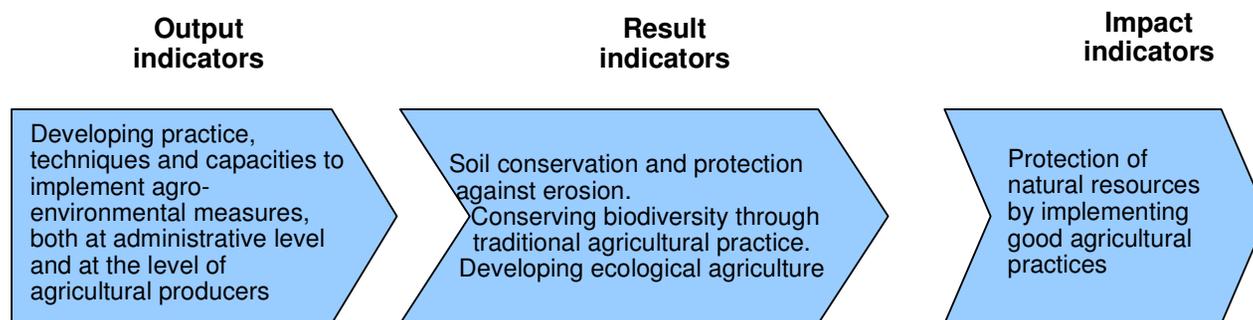
Under this measure, 4 projects have been submitted, from which three (approved) in the field of milk and one (unapproved) in the field of bee honey and apiary products. The three approved projects have amounted to around 75.114,59 thousand Euros, from which around 57,2 thousand Euros have been paid to the beneficiaries, representing 88% of the engaged value. *The projects have not been finalized, being transferred on NPRD and that is why for measure 3.2 none of the set results have been achieved and the interventions had no impact.*

*Therefore, the Evaluator does not have the necessary data to answer the evaluation question.*

### F. Measure 3.3 “Agricultural production methods designed to protect the environment and to maintain the countryside”

Measure 3.3 „Agricultural production methods designed to protect the environment and to maintain the countryside”, according to the provisions of article 2 of the Council Regulation (EC) no. 1268/99, is intended to promote the introduction and maintenance of agricultural practices which are compatible with the environment and which go beyond the „Good Agricultural Practices”. Furthermore, the Measure observes the development of experience, practices and abilities for a correct application of the measures for agro-environment, both at an administrative level, as well as at the level of agricultural companies. Last but not least, the initiative intends to sensitize the farmers, concerning the subject of environment protection, by reducing the inputs of agricultural activities.

Measure 3.3 **Intervention logics** can be described as follows:



For a correct implementation of the initiative (as it is mentioned in paragraph 3.1 of this report) the pilot areas for each of the three sub-measures have been identified, namely:

- sub-measure A : soil conservation and protection against erosion
- sub-measure B: conservation of biodiversity through traditional agricultural practices
- sub-measure C: organic farming

However, as it has already been mentioned in all of this report’s chapters, on 31.12.2009, the financial implementation stage of the initiative has been extremely limited, only 10% of the foreseen public expenses, amounting to around 190.000 Euros, having been paid. This level of implementation has greatly

limited the analysis of the impact generated by the intervention. Considering the physical implementation, from the 47 applicants for assistance, for sub-measure b2, up to today, only one farmer continues to implement the project, while the others have presented financing requests within NPRD 2007-2013, during 2007, withdrawing thus, from the SAPARD Programme.

In the following tables, the answers to the evaluation questions are reported, however it can be generally asserted that, considering the limited progress of the expenses, the initiative did not reach its set objectives for environment protection and especially, it did not contribute, in a significant way, to the improvement of the *acquis communautaire* in the processing of agro-environment measures, as it has been set through the operational objectives.

As it has been mentioned and argued in paragraph 3.1 of this report, the Evaluator considers that the inappropriate implementation of measure 3.3 was a lost occasion, especially for biological agriculture, “Sub-measure C: Organic farming”. In deed, exactly similar measures (Reg. CE 2078/92) have represented, in the rest of Europe, an extraordinary stimulus for the consolidation of environment compatible production methods, favoring directly and indirectly the spreading of certain agricultural practices, with substantial reduction of the inputs.

**Question F1:** To what extent have the supported actions contributed to protect natural resources beneficiary areas?

Criteria	Indicators' source	Description of indicators	Achieved
Natural resources have been protected	Source: EU Guidelines	Number and description of actions carried out, of which: (a) linked to the development of organic farming (%) (b) linked to soil quality and protection (%) (c) linked to protection of wildlife and biodiversity (%) Area covered by supported measures (ha), of which: (a) linked to the development of organic farming (%) (b) linked to soil quality and protection (%) (c) linked to protection	1 (a) 0 (b) 1 (c) 0 50 ha (a) 0 (b) 100 % (c) 0
	Result indicators (source NPARD)	Share of land benefitting from the agri-environmental submeasure, as % of the total land in the pilot areas which is vulnerable to erosion. Share of provisionally flooded land benefitting from the agri-environmental submeasure, as % from the total area of the pilot areas optimal for rice growing. Share of land for meadow management benefitting from the agri-environmental submeasure, as % of the total area of alpine meadows in the pilot area.	0% 0% 0,14%*

\* indicators quantified and estimated by the Evaluator based on survey and context data

**Answer to the evaluation question:**

As it results from the above indicators and considering the implementation stage of the measure (see the analysis for the Measure implementation progress, described in activity 3.1 from this report), its contribution to the protection of natural resources, in the identified pilot areas was practically zero.<sup>37</sup>

**Question F2:** To what extent have the supported actions contributed to develop practical experience of agri-environment implementation at farm level?

Criteria	Indicators' source	Description of indicators	Achieved
Awareness of environmental issues increased amongst farmers	Source: EU Guidelines	Share of farmers participating in assisted activities related to agri-environmental measures (%)	0%
	<b>Result indicators</b> (source NPARD)	Increased total number of farmers with certified ecological crops (%) Number of farmers achieving the conversion towards the production methods of the organic farming.	0% 0
Beneficiary farmers acquainted with agri-environmental measure the objectives and techniques	Source: EU Guidelines	Share of assisted farmers implementing the agri-environmental measures after assistance (%) Ratio of	Can not be quantified*

\* The project is not finished yet, thus the quantification of the indicator is not possible.

**Answer to the evaluation question:**

As it results from the above mentioned set of indicators, the contribution of the measure to the development of agricultural measures compatible with the agri-environment practices was practically zero.

**Question F3:** To what extent have the supported actions contributed to develop practical experience of agri-environmental measure implementation at administration level?

Criteria	Indicators' source	Description of indicators	Achieved
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<sup>37</sup>Acc. NPARD, SAPARD, revised version July 7, 2006, p.274

Criteria	Indicators' source	Description of indicators	Achieved
Environmental issues integrated into rural development policy at national level	Source: EU Guidelines	Description of new agri-environmental services set up by the administration for the assistance of farmers Description of new environmental requirements for rural development activities at national / regional level, adopted in accordance with EU standards	None None
	<b>Result</b> indicators (source NPARD)	Increased land area tilled according to organic farming model, out of the total area (%)	0%

#### Answer to the evaluation question:

As it has already been mentioned, the Measure did not contribute to the improvement of the implementation of agro-environment measures at an administrative level. However, it is in the course of implementation NPRD 2007-2013, during which, the positive progress of Axis 2, where measure 214 has already spent over 15%<sup>38</sup> from the provided resources, suggests a good capacity of the administration to implement these initiatives, despite the reduced impact of Measure 3.3 from SAPARD.

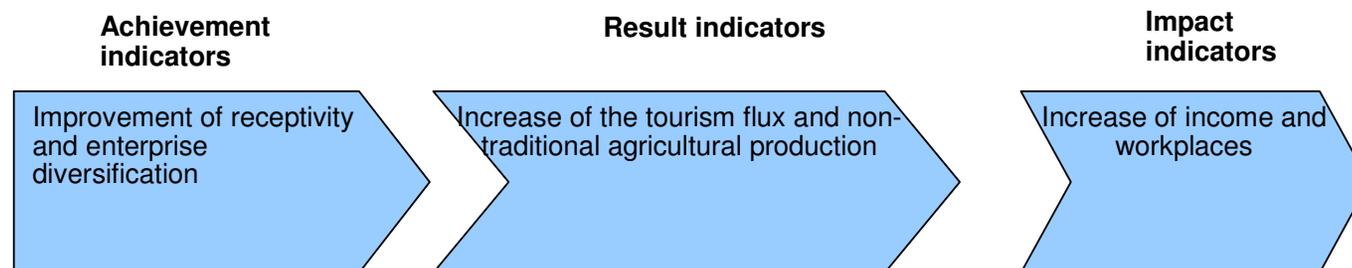
As a **conclusion**, measure 3.3 did not generate, during the implementation period of the Programme, the desired impact, especially concerning the three aspects presented in the evaluation questions.

<sup>38</sup>Acc. [http://enrd.ec.europa.eu/app\\_templates/enrd\\_assets/pdf/monitoring\\_indicators/financial\\_and\\_physical\\_indicators/member\\_states/Financial%20indicators%202007-2008-2009%20RO.pdf](http://enrd.ec.europa.eu/app_templates/enrd_assets/pdf/monitoring_indicators/financial_and_physical_indicators/member_states/Financial%20indicators%202007-2008-2009%20RO.pdf)

### G. Measure 3.4 “Development and diversification of economic activities generating multiple activities and alternative income”

Measure 3.4 intends, as indicated in art. 2 of the Council Regulation (EC) no. 1268/99, to promote the creation of workplaces and to increase the income through the diversification of agricultural activities.

The **intervention logics** for Measure 3.4 may be described as follows:



Measure 3.4 has used **81%** from its assigned financial resources, the equivalent of over 68 million €, proving a good spending **efficiency**. Also, the results achieved through the investments carried out are more than satisfying, reported to the percentage of supplied resources. Despite the efficiency of the measure which was not complete, the **effectiveness** was complete, especially through sub-measure „Rural tourism” which concentrated around 80% from the expenses of the entire Measure.

**Question G1:** To what extent have the development and diversification of on-farm or off-farm activities contribute to increase the income (and the standard of living) of the beneficiary rural population?

Criteria	Indicators' source	Description of indicators	Target	Achieved
1.1 Alternative sources of	Source: EU Guidelines	Share of income of beneficiaries coming from non-agricultural activities (%) (a) of which coming from tourist activities (%) (b) of which coming from craftsmanship activities (%) (c) of which coming from the sale of local and traditional products (%) (d) of which coming from other non-agricultural activities (%) (e.g. provision of services, folklore activities, etc.)	-----	48%* (a)90%*(b)n.q. (c)3%* (d)7%*

Criteria	Indicators' source	Description of indicators	Target	Achieved
income have been developed thanks to the assistance	<b>Result indicators</b> (source NPARD)	Share of beneficiary's gross income earned (generated) off-farm thanks to the assistance (euro / beneficiary), of which: (a) from tourism (b) from craftsmanship and local products	20% (a) 12% (b) 8%	48%* (a) 40%* (b) 8%*
	Source: EU Guidelines	Number of enterprises established or revitalised thanks to the assistance still functioning two years after the end of the assistance  (a) of which in the tourist sector (%) (b) of which in the crafts sector (%) (c) of which related local and traditional products(%) (d) of which linked to other non-agricultural activities (%)	-----	1.055 (a) 54% (b)2% (c)7% (d)38%
1_2 Local enterprises created or revitalized, maintained after the assistance	<b>Result indicators</b> (source NPARD)	Production of fish (tons/ year) Production of frogs (tons/ year) Production of crabs (tons/ year) Production of oysters (tons/ year) Production of scallops (tons/ year) Production of snails (tons/ year) Production of honey and other beekeeping products (tons/ year) Production of silkworms (tons/ year) Production of mushrooms (tons/ year)  Number of new facilities for wildberries and fruit trees processed at farm level. Number of modernized facilities for wildberries and fruit trees processed at farm level. Number of new facilities for aromatic plants processed at farm level. Number of modernised capacities for aromatic plants processed at farm level.	250 10 3 2 3 5 150 0,5 30 20 25 20 10	1.009 511 n.a.* n.d* n.a.* n.a.* 1.364 2,2 3.706 6 0 2 0

\* quantified and estimated by the Evaluator based on survey and context data, also for certain sub-measures the beneficiaries have not been included in the research sample concerning the direct interviews and therefore the estimation of the contribution of all the reference sub-measures was not possible

**Answer to the evaluation question:**

The evaluation of the indicators necessary for criterion 1.1 underlines the more than positive effect of the financing process on incomes. These data have obviously resulted from the survey of the final beneficiaries. However, in this specific case, more than a diversification of income, the financing represented an opportunity to initiate a new activity (for more than 54% of the cases there was a new initiative). Also, 97% from the beneficiaries have a trade and non-agricultural company, thus the Measure had a more than positive effect on the **creation of new workplaces in the rural areas** and the development of new work opportunities, as it will be shown in the answer to the next question, more than on the diversification of income, as it has been foreseen. Obviously, the sector where it has mostly been invested, which showed the best results from an economic point of view, is tourism, both as a welcoming way as well as through the renewal services. More modest is the contribution to the diversification of income concerning craftsmanship activities or other activities for agricultural diversification.

As regards the **establishment of companies** (criterion 1.2), it is interesting to observe the achievement indicators for the created accommodation places. The SAPARD Programme supported the creation of over 11.200 accommodation places in the Romanian rural area between 2001-2009. If the data is reported to the contextual situation (next table), then these gain an even greater relevance. It is hereby highlighted that more than half the accommodation places created in Romanian between 2003 and 2008 have been supported by the SAPARD financing Programme, proving the very good coverage of the Programme, especially in the North Western and Central part of Romania and the good correspondence of the Programme with the general tendency of the sector.

Tab X Accommodation places in the rural regions, Source: *"Rural Development in the European Union - Statistical and Economic Information - Report 2010"*  
– DG AGCI

	Accommodation places 2008 in the Rural Areas	Var. accommodation places 2003/2008 in rural areas
	N°	N°
1 North-East Iasi	18.986	1.021
2 South-East Constanta	132.668	1.677
3 South Muntenia Targoviste	21.464	-265
4 South-West Oltenia Craiova	14.973	-139
5 West Timisoara	21.396	683
6 North-West Satu Mare	26.484	2.164
7 Centre Alba Iulia	39.302	6.543
8 Bucharest Ilfov	18.937	8.912
<b>Total</b>	<b>294.210</b>	<b>20.596</b>

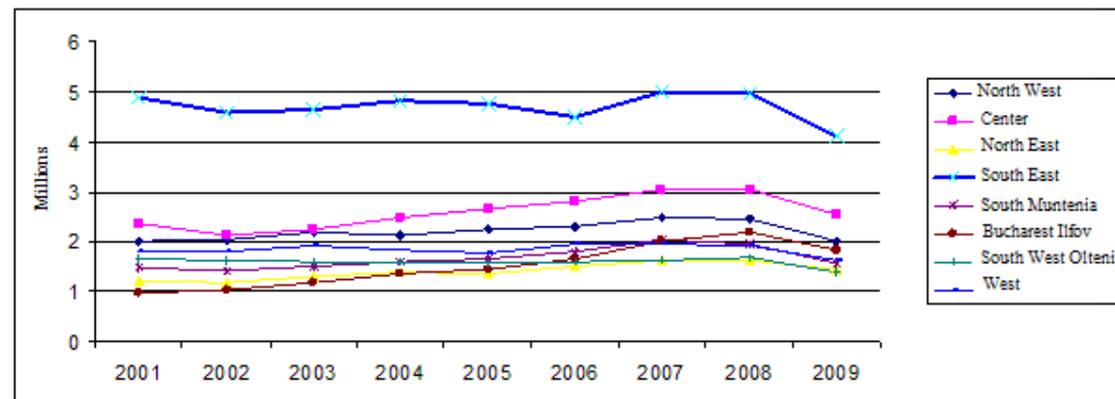
The establishment of enterprises in rural areas, supported by SAPARD, has had very good results especially in the tourism sector, with more than 54% new initiatives supported, followed by other diversification activities for agriculture (with over 38% from the beneficiaries) and in a more limited percentage in the craftsmanship sector.

As regards the **diversification of agricultural activities**, the contribution in certain sectors, such as aquaculture and especially beekeeping and mushroom cultivation was important. On the other hand, this measure has a limited impact on sectors such as fruit trees and aromatic plants, still called niche sectors, but with interesting economic profits. However, there has been a limited request, in this regard, from the beneficiaries, even if the few who have started these initiatives confirm interesting expectations from an economic point of view (increases in income of more than 25% after the financing).

All the financed initiatives have indicated good values through the achieved results, with values over the set target, also due to the fact that these have not always been estimated in a credible way, considering that also in the case of the other SAPARD Measures this quantification has been made at the beginning of the programming phase, without it being revised afterwards. Still, there has been a positive impact for the Evaluator, obviously concerning the Measure for the promotion of companies with the capacity to diversify their own agricultural productions and for approaching the market with niche products with perspective to generate an higher added value.

Also, in what the context data is concerned, we may notice an evolution in the tourism sector in Romania: in general, during 2009, as a result of the crisis, a small reduction in the number of overnight stays recorded in Romania could be observed; despite this, the regions with the greatest capacity to attract tourists are the rural regions in the South-Eastern region, Constanta being on the first place, followed by the Central region (with around 3 million overnight stays) and on the third place was the Carpathian region from the North West.

Graph: Overnight stays of residents and non-residents by development regions, 2009 – Source: Eurostat



From the data concerning tourism flux, excluding the crisis year 2008, results an interesting upward tendency of the nights of accommodation, which in the period 2000-2009 reached throughout the country 1%; the most important levels of growth were recorded in the rural regions, especially in the North-Western region and in the Central Region, which correspond to the areas targeted through measure 3.4. For the Evaluator, the financed initiatives were not only coherent, but have also stimulated a new tourism flux, redirecting both the internal and the foreign flux towards the rural areas of Romania.

As a **conclusion**, the Evaluator believes that the promotion of the diversification of agricultural activities and, more generally, the creation of new workplaces in the rural regions, has had a positive impact on the income of the beneficiary rural population. The analysis of the indicators and especially of the result indicators is limited, as the target values are not realistic. However, the financed initiatives have contributed, in a more than positive manner, to an increase in

the requests for tourism services, especially in the rural regions, compared to the rest of Romania, despite the crisis, in the context that there is a need to find new formulas for the consolidation of the tourism sector in rural regions. The impact concerning the increase of income was positive, favouring not only the diversification, but also the birth of new enterprises in the rural areas, with the capacity to offer services in the tourism, hotel sector and in alternative activities such as aquaculture, mushroom cultivation, beekeeping, etc.

**Question G2.** To what extent has the development and diversification of on-farm or off-farm activities helped to create new employment opportunities?

To what extent has the development and diversification of activities inside or outside the farm, contributed to the creation of new work opportunities?

Criteria	Indicators' source	Description of indicators	Target	Achieved
2-1 Jobs created or maintained in non-farming activities thanks to the assistance	Source: EU Guidelines	Number of jobs created or maintained jobs in assisted enterprises two years after the end of the assistance (FTE) (a) of which in the tourist sector (%) (b) of which in the crafts sector (%) (c) of which related to local and traditional products(%) (d) of which linked to other non-agricultural activities (%) (%) (e) of which women (%) i	-----	10.946* (a)58%* (b)4%* (c)12%* (d)27%* (e)n.a.**
	<b>Impact indicators</b> (source NPARD)	Number of full-time equivalent workplaces (a) maintained in better conditions (b) created	35.000 14.000 21.000	10.946* 2.838* 8.108*
		Share of non-agricultural rural population earning an income from transactions/jobs generated by the assistance off-farm (agricultural mechanics and suppliers of agricultural services) (%) Increased number of tourist guesthouses Increased fish production Increased honey production Increased silkworm production Increased mushroom production Increased processed wildberries and fruit trees production Increased processed aromatic plants production	 5% 7% 7% 5% 5% 7% 7%	 1%* n.a.*** n.d*** n.d*** n.a.*** n.a.*** n.a.*** n.a.***

*\*indicator quantified and estimated by the Evaluator based on the data collected through survey of the final beneficiaries*

*\*\* information which could not be obtained through survey of the beneficiaries*

*\*\*\* Baseline values unavailable at the beginning of the Programme and thus the impossibility to quantify the variation as a result of the intervention*

#### **Answer to the evaluation question:**

In what criterion 2.1 is concerned, the values of the indicators from above have been assigned according to the data collected through survey of beneficiaries, which have made the estimation of the impact of financing for created workplaces possible.

With reference to the estimation of created/maintained workplaces, the Evaluator relies on the survey carried out on the final beneficiaries of the Programme, after 2 years from the financing. As previously mentioned, in regard to the sampling methodology, the Evaluator estimates an error of 6%. Thus, the actual number of created/maintained workplaces is represented by a value between 10.617 and 11.274, with a reliability percentage of 95%.

The results are very good, considering that in average, for the creation of 8.108 workplaces around **8.411 €/ENI** have been spent. This value is very competitive if we compare it to the costs for the creation of workplaces in other sectors. As such, we can underline the importance of continuing the investments in this type of initiatives, with a significant impact on the work force especially in rural areas, where the work offers are rather limited, these interventions representing an important instrument for the prevention of exodus from rural areas and the migration flux from rural areas to the urban ones or from rural areas to other countries. In what target values are concerned, these seem underestimated as in the ex ante phase, an average cost was defined for the creation of workplaces, which amounted to only 4.010 €/FTE, an inapplicable value reported to the current economic and social context of Romania. As it results, the greater number of workplaces have been created in the tourism sector, while the diversification of agricultural activities occupies merely 27% of the newly created workplaces, activities characterized by the intensive use of work force (aquaculture, mushroom cultivation, etc) representing very good opportunities for the creation of workplaces in the rural regions.

In order to be able to calculate the impact indicator concerning the ratio for the creation of workplaces for the population in the rural areas, the Evaluator called upon the context data (DG-AGRI Agricultural Policy Perspectives, Member States Factsheets – March 2011) and the information included in the document NPRD 2007-2013. With the help of these data, the calculation of the value of rural population which is not employed in agricultural activities, which was quantified to around 1,2 million persons, representing 24,5% of the active population in rural regions<sup>39</sup>. On the other hand, the number of workplaces created in agricultural diversification activities promoted through the Programme has been estimated and it resulted that around 8.108 new jobs have been created and around 2.838 have been maintained due to the initiatives of Measure 3.4. Hence, the ration of the SAPARD Programme for the creation of work opportunities, intended for the population which is not employed in agriculture in the rural area of Romania, was around 1%.

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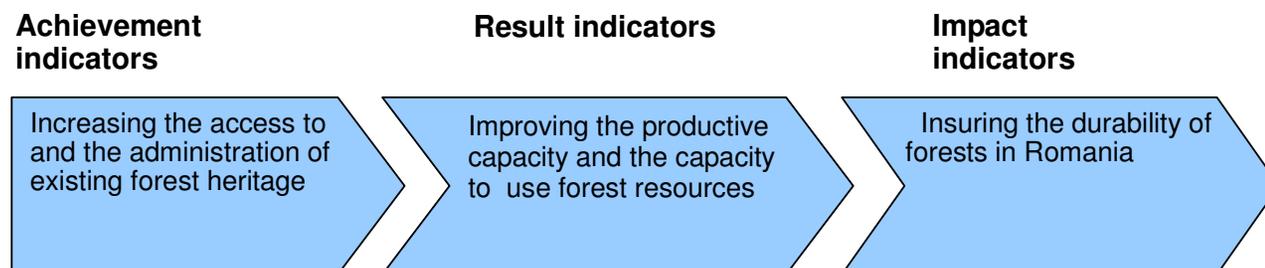
<sup>39</sup> NRDP 2007-2013 version June, 2010, pg. 14

As a **conclusion**, concerning its impact on occupancy, the Measure has very good results, both concerning income, as well as the increase in the number of workplaces. Thus, it is confirmed that the agricultural sector might be the engine for the creation of workplaces in the rural areas, starting with the diversification of companies, but also with the services offer in the hotel sector. In these areas of Romania, we witness a deep transformation of the work market, where the services sector assumes step-by-step a significant place in relation to the primary sector. It is fundamental for the active actors in the rural environment, to be supported in the improvement of their competitiveness, in this period of transition, especially in the dynamic sectors, characterized by an upward economic tendency, such as the services sector. In this context, also the auxiliary, transversal Measures, such as professional training, are crucial for the support of business men in rural regions. As a conclusion, in the Evaluator's opinion, Measure 3.4 has generated a very good impact both concerning the creation of workplaces, as well as for the improvement of income in rural areas.

## H. Measure 3.5 “Forestry”

Measure 3.5 „Forestry” intends, as indicated in art. 2 of the Council Regulation (EC) no. 1268/99, to promote a durable administration of forest resources and to favour the maintenance and economic development of the forest heritage.

The **intervention logics** for Measure 3.5 may be described as follows:



Measure 3.5 has spent **77,68%** from its financial disposal, representing with around 10 points less compared to the average expenses carried out in the SAPARD Programme in the same period, thus indicating a good spending **efficiency**. The results achieved through the investments carried out are more than satisfying in relation to the percentage of supplied resources. Even though there has not been a complete efficiency, in what **effectiveness** is concerned, the Measure has reached its objective, especially for the two sub-measures which significantly concur for the fulfillment of the objective concerning durability in the administration of the forest heritage in Romania.

A mandatory premise is the one concerning the situation of expenses for each sub-measure, as this has been described to length in the sheet of the measure in paragraph 3.1 of this report. The situation referring to payments, defined in the programming stage, concentrated exclusively on these two sub-measures and this limited the initiative’s impact on certain aspects of conservation and enhancement of the forest heritage. In fact, the implementation of this Measure had unexpected results, both due to the complexity of the procedures, as well as due to the changes of the legal framework in the forest sector during the past years and the limited attractiveness of implementation mechanisms. However, the Evaluator carried out a compelling analysis of the generated impact, which was coherent only for certain aspects, with the elements targeted by the Common Evaluation Questioned, however it could not totally reflect the complexity of the forest heritage in Romania.

**Question H1:** To what extent have the forestry measure contributed to maintain and enhance forest resources, by influencing land use and the structure and quality of the growing stock?

Criteria	Indicators' source	Description of indicators	Target	Achieved
1.1 Increase of wooded area on previous agricultural and non-agricultural land	Source: EU Guidelines	Area of assisted planting (ha)	-----	115 Ha
	<b>Result</b> indicators (source NPARD)	Increase of wooded area on previous agricultural land area. Increased length of forest roads	40.000 Ha	115 Ha
	<b>Impact</b> indicators (source NPARD)	Increased wooded area, via the SAPARD projects, as compared to the existing area (of private and public forests of the local councils).	2%	0,10%
1.2 Abandoned land reduced thanks to afforestation	Source: EU Guidelines	Share of abandoned land afforested thanks to the assistance (%)		0,06%*
1.3 Anticipated increase of volume of growing stock thanks to planting of new woodland and improvement of existing forests	Source: EU Guidelines	Anticipated additional average annual increment thanks to the assistance (m <sup>3</sup> /ha / year) (a) of which in new plantings (% , hectares concerned) (b) of which due to improvement of existing woodlands (% and hectares concerned)		Between 7 and 4 m <sup>3</sup> / ha / year (a) 100% (b) 0%
	<b>Result</b> indicators (source NPARD)	Increased number of seedling plants obtained in own nurseries.	8.000.000	2.700.000
1.4 Anticipated improvement in quality rest due to planting and forest improvement	Source: EU Guidelines	Trend in quality/structure parameters (description; e.g. including hardwood / softwood, diameter evolution, straightness, knots)	-----	according to the evaluation answer

\* indicators quantified and estimated by the Evaluator based on survey and context data

**Answer to the evaluation question:**

The contribution of Measure 3.5 to criterion 1.1 of this evaluation question is almost zero, considering that the target value had set an increase of the afforested forest of 2%, the equivalent of 120.000 ha, while Measure 3.5 had afforested, through Sub-measure „**Afforestation**”, 115 hectares of previously agricultural land, exclusively through the financing of the 3 beneficiaries. This afforested land represents an increase in the afforested area in Romania.

Related to the second evaluation criterion (1.2) concerning the percentage of abandoned land which has been recovered due to assistance, in this case too, the contribution of the Programme is rather limited. In Romania the phenomenon of land abandonment is increasing, as referred on NPRD 2007-2012, due to reckless cutting of forests, difficulties in reaching the land, few investments in this sector. In order to be able to examine the relevance of the SAPARD Programme in this phenomenon, the Evaluator, based on the available Eurostat data, noted that between 2003/2007 there has been a decrease in the Useful Agricultural Land of around 177.660 Ha. It is presumed that from these lost or abandoned lands, in 2007, 115 hectares have been afforested through SAPARD, so that the percentage of afforested abandoned agricultural land is less than 1%<sup>40</sup>.

In what the third evaluation criterion (1.3) is considered, regarding the growth of the forest heritage, the Evaluator estimated, based on interviews with the three beneficiaries of the sub-measure „Afforestation” from Harghita county, an increase in the yearly average situated between 4 and 7 m<sup>3</sup>/ha of new plantations, as a result of the reforestation of abandoned areas or areas reconvered for the purpose of diversifying vegetal soils, from the point of view of structure and composition, with the precondition of power of interested stations. This estimation has been made considering the fact that, the complex morphology and accessibility of the territory in the forest areas of Harghita county (Central region) has determined, in the past years, the abandonment of these lands, especially in the areas situated at the highest altitudes, characterized today, by populations with reduced forestry value. The reconversion of cultures with endemic or introduced species should not, in principle, determine the loss of functionality, because vegetable soils after a long period of stasis, should be capable to produce bigger and bigger growths in an average-long time span. Thus, the abandonment of cultures has caused the presence of vast non-administered or exhausted surfaces, which affect the structural dynamics and the quality of stems, which need to be reconsidered for the evaluation of their commercial potential.

Also, the increase and improvement value of the new forest heritage has been rather significant, the Evaluator estimating that the new nurseries, with a surface of 4,5 ha, have a capacity of over 2,5 million seedlings. These may easily generate a large part of the forest resources. The number reaches 33% of the target value indicated in the Programme.

In what criterion 1.4 is concerned, the investment in the field of forestry, targeting, on one hand, the favouring of innovation and natural development, is inserted in the more ample category of productive forestry, with the tendency of coniferous trees to reach commercial tables, while the potential types of broad-leaved trees may be included in valuable commercial structures, up to raw materials for furniture.

As a **conclusion**, we may assert that the Measure contributes, in a limited way, to the capitalization of the forest heritage and to the improvement of soil use, in fact the analysis of the presented indicators, the improvement objective for the quality and quantity of forest heritage, underlines that in this context, the impact of the Measure has been rather reduced. The improvement of the newly afforested areas through this Measure targeted exclusively 115 hectares and 3 beneficiaries, who have initiated afforestation actions on lands which previously were intended for agricultural use, as it was requested in the application for

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<sup>40</sup> The Evaluator assumes that the total surface of agricultural land, reduced in the period 2003-2007, may be identified as abandoned land and based on the information held, it is assumed that the investments for the afforestation, the sub-measure's objective, have been implemented exactly on these areas.

project proposals in 2006. The afforested area has a less relevant impact, in relation to the size of Romania's forest heritage, which corresponds to over 6,5 million hectares.

**Question H2 ( H1B):** To what extent have the forestry measures contributed to maintain and enhance forest resources by influencing the total carbon storage in forest stands?

Criteria	Indicators' source	Description of indicators	Target	Achieved
There is an additional build-up of carbon in the new and existing woodlands	Source EU Guidelines	Trend in average annual net carbon storage thanks to the assistance (million tons / year)	-----	747,5**

\* indicators quantified and estimated by the Evaluator based on survey and context data

**Answer to the evaluation question:**

The methodology used for the estimation of the CO<sub>2</sub> quantities absorbed by the forest wood mass in the afforested agricultural areas has been taken from the “Directives for the national inventories concerning green house gases in the agricultural, forest sector and other uses of the soil (AFOLU – Agriculture Forestry and Other Land Use)” drafted in 2006 by IPCC (Intergovernmental Panel on Climate Change). According to these information sources, the Evaluator could estimate the average annual absorption of carbon in the wood mass supported by the SAPARD Programme.

More detailed, the areas afforested through sub-measure “Afforestations” amount to 115 ha and consist of mixed forests, mainly fir trees and larch trees or even both types of plants. One hectare afforested with this typology of plants contributes to the absorption, through the wood mass, of one “C-sink” per year of 6,5 tCO<sub>2</sub>eq. year<sup>-1</sup>. C-sink per year guaranteed by support.

As a **conclusion**, it is estimated that the 115 afforested hectares on agricultural land, contribute to a guaranteed C-sink per year of around **747,5** tCO<sub>2</sub>eq. year<sup>-1</sup>. This represents the direct contribution of the SAPARD Programme to this specific phenomenon.

**Question H3:** To what extent have the assisted actions enabled forestry measure to contribute to the social and economic aspects of rural development?

Criteria	Indicators' source	Description of indicators	Target	Achieved
2. 1 More rational production of forest products (or services)	Source EU Guidelines	Short / medium term change in annual costs for forestry, harvesting and transportation, storage operations thanks to the assistance (euro / m <sup>3</sup> ) Share of holdings being connected to associations of forest owners or similar (%)	-----	16%*  Not applicable
	<b>Result</b> indicators (source NPARD)	Increased capacity of primary wood processing compliant with the technical conditions for the environmental protection	20%	5%*

Criteria	Indicators' source	Description of indicators	Target	Achieved
		.		
	<b>Result</b> indicators (source NPARD)	Increased number of associated forest owners	20%	0%
	<b>Impact</b> indicators (source NPARD)	Increased productivity in the forest exploitation sector	Increase by 3%	n.a.
2.2 Land and the socio-economic interests are protected.	Source EU Guidelines	Additional assisted outlets, in particular for small dimension / low quality products (m <sup>3</sup> ) Additional activities set up in forests (e.g., tourist activities, etc.)	-----	Not applicable  Not applicable
2.3 More activities in rural community, due to the primary or secondary production or due to initial processing and marketing stages	Source EU Guidelines	Volume in short/medium term supply of basic forestry products, of small scale, processed locally (m <sup>3</sup> / year) Employment in the short / medium term outside holdings (logging, initial processing and marketing, and further local, small scale processing and marketing), directly or indirectly, depending on assisted actions (FTE / year)		736.251 (m <sup>3</sup> )  68/year*
	<b>Impact</b> indicators (source NPARD)	Increased number of jobs.	Increase by 3%	0,2%*
2.4 Income maintained or increased in rural areas	Source EU Guidelines	Income in the short / medium term due to assisted activities (number of beneficiaries) (a) of which additional income (%), and ha) (b) of which due to assisted on-farm and off-farm activities (%)		18.740* €/year 34 beneficiaries (a) 0% (b) 100%

\* indicators quantified and estimated by the Evaluator based on survey and context data

**Answer to the evaluation question:**

In relation to the first evaluation criterion (criterion 2.1) the targeted indicator has been valorized through the use of direct investigation carried out by the Evaluator. It is estimated that sub-measure "Forestry roads" contributes considerably to the reduction of wood processing costs. Practically, as it has been reported by the beneficiaries, over 40% from the interviewed persons state that there has been a reduction in the costs after the financing. This reduction, was, in average 16% and it has referred especially the reduction of transport costs and the means to collect wood mass. However, from the analysis carried out on the beneficiaries, this variation could not be expressed in absolute values €/m<sup>3</sup>, as the common evaluation questions required it. Concerning the indicator "Increase in the capacity of primary wood processing, which observes the technical conditions for environment protection", as it has been mentioned also in the Measure sheet attached to this report, it has been attributed a value by speculating the total contribution to its achievement through sub-measure "Investments for the improvement of primary wood processing and marketing of forest products". From the survey on beneficiaries it resulted that, after the financing, the increase in the improvement of the production capacity has been 5%. Finally, the indicator concerning the increase in the number of associated owners may not be quantified as the afferent sub-measure has not been activated.

The analysis of criterion 2.2 concerning the impact generated by the initiative, in the socio-economic and soil protection context has no applicability, as no sub-measure has foreseen financing in this regard.

In what the third analysis criterion 2.3 is concerned, regarding the improvement of activities and of the vitality of rural communities, we may notice that both roads, as well as productive investments have had great contribution in this regard. Concerning roads, over 600 km of road have been built in Romanian forests, by 75 beneficiaries (almost entirely public beneficiaries), a fact which contributes in a significant measure even to the improvement of the unproductive use of forest resources. From the primary data collected for over 50% of the beneficiaries, the thus carried out investments allow an improvement of the capitalization of forest resources, even if for non-productive purposes, with immediate consequences on the rural population. For final beneficiaries, who are not small wood producers, but generally public owners of afforested areas, owning in average 312,4 ha of afforested areas, pursuant to the financing, the areas owned have increased in average by 24%, thus confirming the positive contribution of the sub-measure to the recovery and valorization of the forest heritage and the dynamics of the beneficiary rural community. Moreover, the indicator for the volume of available wood mass is related to the sub-measure for the increase of productivity in wood processing companies. Based on the available monitoring data, it is estimated that annually, the SAPARD contribution has favored the processing of 736.251 m<sup>3</sup> wood mass.

Concerning workplaces, one should notice that the sub-measure for the improvement of equipment has exclusively had a direct positive effect, the development of roads not having a direct effect on the work force. For the sub-measure concerning investments in forest companies, 34 projects have been financed and from the direct investigation of the beneficiaries it resulted that for 50% from the interviewed persons, existed a positive impact on the work force, after the financing and in general, by reporting the data to the reference universe, the Evaluator estimates that for 34 financed projects, the increase in the workplaces has been of **68 ENI/YEAR**. Considering the previous impact indicator referring to Measure 3.5, for the increase of workplaces and comparing these to the Eurostat data, it is noticed that in 2008, in Romania there have been 34.651 persons employed in the forest sector, proving a positive, however limited impact (+0,2%) of the Measure on the work force occupancy degree. Other context data concerning the tendency of workplaces in the forest sector

and forest industry in Romania (2008-2009) underline the increase in occupancy by around 5%, while, in the same period in UE27 there has been a decrease of occupancy of 5,8%; this last information confirms the positive dynamics of the Romanian forest sector and the fact that it is vital, even compared to the tendencies in the rest of Europe.

Regarding the last evaluation criterion (2.4), the sub-measure concerning the investments in forest and wood processing companies was taken into consideration. From the analysis of the data collected from the direct investigation, it results that all the final beneficiaries had rather significant sizes. It refers to structures with incomes of over 1 million Euro. Based on the data collected through direct investigation, the Evaluator has estimated a yearly average increase of the income after a contribution of around 18.740€, which does not represent a big percentage compared to the average incomes, but it is a sign of good economic earning possibilities, pursuant to the carried out financing.

As a **conclusion**, the indicators show a positive development of the initiatives in favour of an improvement of the economic and social role of forests, both concerning the economic valorization and the occupancy of force work, however, considering the limited number of initiatives and available resources (around 75 million Euros), the impact of Measure 3.5 on the forest system in Romania was rather moderated. On the other hand, we may notice that the Measure has contributed in a positive way, as an answer to the guarantee exigencies of a durable forest sector in Romania, through the improvement of valorization and increase in the productivity of companies in the forest sector.

**Question H4:** To what extent have the supported actions enabled forestry measure to contribute to the social and economic aspects of rural development by maintenance and appropriate enhancement of protective functions in forest management?

Criteria	Indicators' source	Description of indicators	Target	Achieved
4.1 Appropriate protection actions undertaken	Source: EU Guidelines	Area planted/managed with a view to protective functions (ha.) (a) of which agricultural land (%) (b) of which water bodies (%) (c) of which villages, tourist facilities (%), plus type and magnitude of interest, e.g., expressed approximately as number of inhabitants, night beds, etc.)	-----	119,5 Ha e 604 km (a) 96% (b) n.a. (c) n.a.
	<b>Result</b> indicators (source NPARD)	Increased woodlands administered by the forest owner associations	10%	0%
	<b>Impact</b> indicators (source NPARD)	Increased area of private forests administered on the basis of land management plans.	Increase by 10%	0%

**Answer to the evaluation question:**

In what criterion 4.1 is concerned, we may assert that, overall, all the active initiatives and those financed through Measure 3.5 contribute, in a positive way, to the protection of the forest heritage in Romania, through the improvement of various components necessary for a durable administration of the forest heritage. Especially, the afforestation, the nurseries and the forest roads, have a direct and indirect role in the protection of the forest heritage. On the other hand, there have been many measures taken to promote the planning of forest resources and it is foreseen that these planning initiatives will be effective once the new programming period 2007-2013 has started.

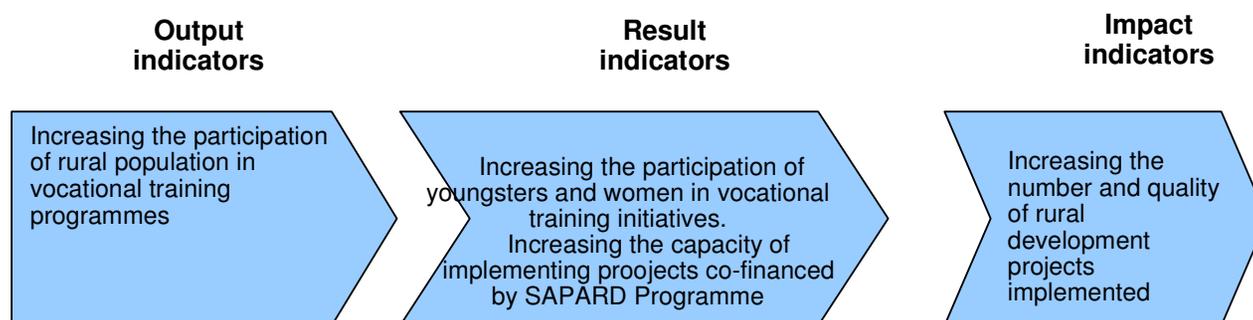
As a **conclusion** for Measure 3.5, the common evaluation questions target the investigation of the extent to which the assistance has contributed to the development of certain durably administered forest areas. The purpose of the measure is clearly expressed in the indirect objectives of the SAPARD Programme, and are in compliance with the durable forest management principle: the use of endemic species, the maintenance and improvement of the riparian vegetation, reduction of the fragmentation of natural and semi-natural habitats, reduction of landscape simplification, creation of permanent forests, improvement of accessibility. In principle, all the areas which have benefited from the support of the Measure may be characterized through “durable management”. Hence, the contribution to a durable management of the forest fund was important and decisive, as mentioned repeatedly, however, the deficit of available financial resources has contributed to the limitation of the impact on the national forest system.

The Evaluator ascertains that through this initiative, the basis for the activation of the Forest measures within NPRD 2007-2013 Measure 125 and Measure 223 (which in total have a financial allocation of over 700 million Euros, 10 times the one foreseen by SAPARD) has been set and thus this first experience has contributed, in a considerable way, to defining the administration means of the Measures in the current programming period.

### I. Measure 4.1 “Improvement of vocational training”

In compliance with the provisions of article 2 of the Council Regulation no. 1268/1999 and those in article 5 of the Council Regulation no. 2759/1999, in the SAPARD Programme for Romania, a measure for the improvement of professional training has also been activated. It targeted the assistance in professional training in order to contribute to the improvement of knowledge and professional competence of farmers and other persons involved in agriculture related activities, forestry, fish farming and aquaculture, processing of agricultural, fishery and aquaculture products, as well as their conversion into non-agricultural activities.

Measure 4.1 **Intervention logics** can be described as follows:



The measure was relatively **efficient**, on 31.12.2009 payments representing 77% from the value of the assigned amounts, were carried out. On the other hand, the measure was **effective** only in a relatively small percentage, especially concerning the reaching of achievement indicators set through NPARD: the number of classes organised was less than 20% of the number foreseen and the number of participants did not even reach 7% of the planned number. This may be mainly because of the delay in the accreditation of this measure.

**Question I1.** To what extent are the training courses in accordance with existing training needs and coherent with other measures of the programme measures?

Criteria	Indicators' source	Description of indicators	Target	Achieved
The training responds to the needs and potential for adaptation (conversion, reorientation, improvement)	Source: EU Guidelines	Share of assisted training actions addressing issues identified as gaps/weaknesses or potential / opportunities during ex-ante evaluation (%) (a) of which because of the type / mix of participants (e.g., young people, women ...) (b) of which because of the topic / contents of the courses (%) (c) of which related to other co-finance actions of the programme (%) (d) of which complementary to the training actions co-financed by other pre accession programmes (%) Share of assisted training actions relating to the adaptation to the <i>acquis communautaire</i> (%)	-----	80%
	<b>Result</b> indicators (source NPARD)	Share of trainees having projects financed under SAPARD out of the total number of trainees. Share of your farmers out of the total number of trainees. Share of women out of the total number of trainees.	≥ 70% ≥ 30% ≥ 30%	42% 59% 25%

**Answer to the evaluation question:**

Despite all these, the results of the measure were relatively good, the percentage of young people who have participated in the courses being nearly 60% from the total number of participants and the percentage of women being 25% (the target being over 30% for both indicators). On the other hand, from the sample analysis of the trainees, it resulted that around 42% from them have presented and/or implemented SAPARD projects, which represents 60% of the programmed value.

Furthermore, considering the type/mix of participants (which awarded young farmers), the course subjects (which concentrated on subjects related to the improvement of production practices, product processing and marketing, business management, environment protection and activity diversification), the high connectivity of this measure to other measures within the Programme (for instance, in the fields of rural tourism, forestry, investments in agricultural holding, etc.) and the general concentration of the treated subjects in the perspective of adopting the *acquis communautaire* in the field of agriculture and rural development, we may assert that the measure was fully in compliance with the existing training needs and with other measures within the Programme.

At length, it is mentioned that 80% from the courses carried out have targeted priorities/needs identified in the background description from Measure 4.1 Fiche included in NPARD, as shown in the table below.

Tab. Correspondence between the needs identified in NPARD and the training interventions financed through measure 4.1

	<b>NEEDS IDENTIFIED IN NPARD (Measure 4.1 Fiche)</b>	<b>CORRESPONDENCE TO THE INTERVENTIONS IN MEASURE 4.1</b>
1	Increased general need for professional training of adults from the rural population, due to the incidence of sustenance agriculture and the lack of training in the field of agricultural.	Production practices, Training of the leaders of agricultural and forestry holdings, in the following fields: economic, technical, judicial, fiscal.
2	Lack of diversification in agricultural activities	Diversification or reconversion of different activities within the rural field - rural tourism
3	Non application of new technologies	Processing and marketing of agricultural and fishery products in compliance with specific technologies
4	Precarious situation from a hygienic-sanitary point of view.	n.a.
5	Need for training in the field of environment protection and ecological production practices.	Environment protection

**Question I2.** To what extent have the acquired skills/ competencies helped improve the situation of the trainees and of the agricultural/ forestry/ fishing sectors?

<b>Criteria</b>	<b>Indicators' source</b>	<b>Description of indicators</b>	<b>Target</b>	<b>Achieved</b>
The skills / competencies acquired by the trainees help improve their employment conditions	Source: EU Guidelines	Share of assisted trainees (both holders and employees) experiencing job improvement related to training (%) (a) of which farm/ forest/ shipowners (%) (b) of which employees (%) (c) of which thanks to better remuneration (%) (d) of which thanks to non-pecuniary job quality (e.g., seasonal / contractual work security, exposure to risk and adverse conditions) (%) (e) of which women (%)	-----	n.a. see evaluation answer
	<b>Impact</b> indicators (source NPARD)	Share of graduates of training courses submitting SAPARD projects within the first year after graduation (%)	-----	n.a. see evaluation answer

Criteria	Indicators' source	Description of indicators	Target	Achieved
The skills / competencies acquired by the trainees facilitate the adaptation of agriculture, forestry and fishery	Source: EU Guidelines	Share of holdings with an assisted trainee, initiating conversion/ reorientation / improvement related to the assisted training (%) (a) of which new / additional activities (%) (b) of which improved quality / hygiene / added value concerning existing activities (%) (c) of which management related (%) (d) of which environmentally benign methods/ practices (%) (e) of which farming (%) (f) of which forestry (%) (g) of which fishing (%)	-----	(a) 3,6% (b) 53,2% (c) 20% (d) 18,5% (e) n.a. (f) n.a.

#### Answer to the evaluation question:

Due to the fact that there has been no inquiry carried out concerning the impact of the participation to the financed professional training, on the participants' work conditions, the indicators "Ratio of assisted trainees (both holders and employees) who experience improvements at the workplace, due to training (%)" may not be exactly quantified. The performance of an inquiry in this ex post phase has been prevented, first of all, by the fact that too much time has passed from the finalization of the training projects (2007) up to this day (2011): even if the contact with the participants in the courses could have been recovered, the self-evaluation of the effect of training on the workplace, regarding the level of remuneration or the quality of the workplaces from a non-pecuniary point of view, would be extremely difficult for the trainees to disclose.

Also, one year after the finalization of the courses, there has been no inquiry for indicating the number of trainees who have presented SAPARD projects after the participation in these courses, which makes the exact quantification of this indicator impossible. However, there are certain hypotheses which can be asserted in this regard, namely:

- most certainly, at least part of the participants in the courses in the field of production and processing/marketing of agricultural products, representing around 39% and respectively 14,5% from the total number of trainees, have presented financing requests within measure 1.1 or 3.1, the improvement of the quality controls for products and professional training of the beneficiary (through a legal representative/project responsible) being the selection criteria for the projects within the measure for "Improving the processing and marketing of agricultural and fishery products" and the professional training being an eligibility criterion also within the measure afferent to investments in agricultural farms;
- furthermore, probably also a part of those who have participated in classes in the field of environment protection (18,5% from the total number of participants) have filed financing projects within measure 3.3 for the implementation of certain environment friendly production methods, the participation in relevant training courses within measure 4.1 being an eligibility criterion;

- also, at least part of the participants in the training courses in the field of rural tourism, representing 3,6% from the total number of participants, have presented financing applications within measure 3.4, the participation in this course being a selection criterion for the projects filed within this measure;
- finally, proving the professional training of the beneficiary was an eligibility criterion for measure 3.5 in the field of forestry, a field which concentrated 17% of the trainees within measure 4.1

*As a conclusion, considering the eligibility and selection criteria of measures 1.1, 3.1, 3.3, 3.4 and 3.5, it is extremely probable that part of the participants in the training courses organised within Measure 4.1 have presented financing applications within the mentioned NPARD measure, which allows us to state that the abilities/competences acquired by the trainees have helped, to a certain extent (unquantifiable), in the improvement of the conditions for work force occupancy through the modernisation of agricultural and forestry related holdings, with the help of financing actions from the SAPARD Programme. However, most certainly the relevance of measure 4.1 in the implementation of the other measures from the Programme would have been even higher if this had been accredited earlier.*

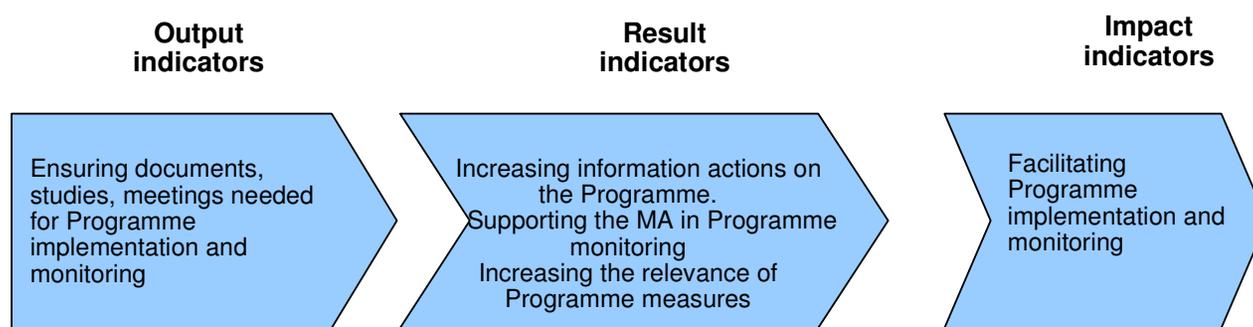
Also, considering the types of courses organised, we may assert that *measure 4.1 has contributed, to a certain extent, in facilitating the adaption of agriculture and forestry*. In this regard, we may assert that the institutions which have had a trainee within the instruction courses from Measure 4.1, were put in the situation to carry out reorientations/improvements of the activities performed, as follows:

- a reorientation of activities towards rural tourism (3,6% from the organisations);
- an improvement of quality/hygiene/added value concerning existing activities (53,2% from the organisations which had a trainee in the instruction actions for production, processing and marketing practices for agricultural and fishery products)
- an improvement of the leadership capacity (20% from the organisations);
- introduction of environment friendly practices (18,5% from the organisations).

## J. Measure 4.2 “Technical assistance”

In compliance with the provisions of article 2 of the Council Regulation no. 1268/1999, the Technical Assistance Measure financed through the community support Programmes for pre accession, in the field of agriculture and rural development, has included initiatives aiming at facilitating the implementation of the other measures of the Programme, including studies for facilitating the preparation and supervision of the Programme, information and advertising campaigns.

Measure 4.2 **Intervention logics** can be described as follows:



Measure 4.2 has fully absorbed the granted resources, payments carried out up to 31.12.2009 representing around 99% of the funds assigned for this measure, amounting to 1,4 million Euros, demonstrating a very good spending efficiency. In what the level of effectiveness of the measure is concerned, this cannot be calculated exactly, as there were no quantifiable targets for achievement, result and impact, for technical assistance. However, considering the complementary aspect of assistance to the other initiatives for support provided for the implementation of the SAPARD Romania Programme from other financing sources, including the Phare Programme, but also the institutions' own budgets, with responsibilities in the Programme management and considering the relatively limited assigned resources, the Evaluator believes that the achievements and results obtained through the financed activities within this measure are much more satisfying, as it results from the following data:

**Question J1.** To what extent have the technical assistance activities facilitated the implementation of the programme actions?

Criteria	Indicators' source	Description of indicators	Target	Achieved
Beneficiaries assisted in the preparation/implementation of projects	Source EU Guidelines	Share of beneficiaries from other measures having received technical assistance (%) (a) of which for each of the measures (%) (b) of which women (%)	-----	Not applicable
National / regional / local authorities assisted in the setting up and management of the programme	Source EU Guidelines	Number of officials / authorities having participated in assisted actions (training, technical support, information activities...) (a) of which at local level (%) (b) of which at regional level (where relevant) (%) (c) of which at national level (%)	-----	372

**Answer to the evaluation question:**

First of all, the technical assistance financed from measure 4.2 did not support beneficiaries in preparing/implementing projects, this assistance being granted by other organisations (such as the National Agency for Agricultural Consulting). On the other hand, technical assistance helped a number of 372 employees of the national/regional/local authorities involved in the development and management of the Programme, representing around 30% of the number of employees in 2007 within Managing Authority, PARDF and local structures. The Evaluator has estimated that this number, calculating the number of persons involved in the technical assistance projects for the evaluation of the Programme<sup>41</sup> and considering the hypothesis that the technical assistance project for the organisation of the Monitoring Committee supported in average 4 persons (from which one executive, one administrative position and two experts in the monitoring and implementation of the Programme) at each of the Committee's meetings (five in total). Considering also the indirect assistance granted through the preparatory studies for the other measures of the Programme, as well as through the organisation of the two information campaigns regarding the Programme, we may assert that the technical assistance actions have facilitated, in a more or less satisfying manner, the implementation of the project's actions.

<sup>41</sup> Source: intermediary evaluation report of the SAPARD Romania Programme and its updates

**Question J2.** To what extent have the technical assistance actions increased the acquaintance of the rural population and authorities involved with EU procedures, rules and principles, notably those regarding SAPARD?

Criteria	Indicators' source	Description of indicators	Target	Achieved
Rural population acquainted with EU policy for rural development, notably SAPARD	Source EU Guidelines	Ratio of number of farmers participating in assisted information / awareness raising activities to overall population of farmers Trend in the distribution of information instruments (e.g. brochures, conferences, training courses, etc.) Share of technical assistance activities dealing specifically with acquis-related issues (%. e.g. EU standards on sanitary requirements, food quality, hygiene conditions at the workplace, etc.)	-----	23%  see evaluation answer 70%
National / regional / local authorities acquainted with EU rules and mechanisms in rural development policy, notably SAPARD	Source EU Guidelines	Share of officials at all levels dealing with rural development issues having participated in technical assistance activities (%) (a) of which activities dealing specifically with acquis related issues (%)	-----	35%
	Result indicators (source NPARD)	Number of promotional materials for the general information of all the parties (flyers, brochures, etc.) Number of publicity campaigns Number of supported expert meetings Number of workshops, conferences, seminars Number of Monitoring Committee sessions Number of studies on the preparation and implementation of the programme measures Number of programme evaluation reports	-----	458.334  2 0 182 5 3 2

**Answer to the evaluation question:**

The Evaluator has concluded, that the technical assistance initiatives, including especially the information actions concerning the Programme, have contributed, in a great extent, to the improvement of the knowledge of the rural population and of the authorities responsible for the EU procedures, rules and principles, especially concerning SAPARD. At length, the Evaluator has estimated that around 23% from the population engaged in agriculture, forestry and hunting, at the end of 2006 (around 2,5 million persons based on NIS data) have been informed through information campaigns organised with technical assistance. This estimation is based on the following aspects:

- each of the two information initiatives through TV spots, radio and written press has had an audience of over one million persons each and over 82 thousand persons have participated in information events organised in the territory, which means a total audience of over 2,4 million persons;

- to this number, the percentage of the rural population afferent to year 2006, namely 45% was added and to the result, the percentage of 52,5%, representing the percentage of farmers and qualified workers in agriculture, forestry and fishing for 2006, was added (NIS, Statistic Yearbook for 2007);

Thus resulted a number of more than 577.000 farmers informed through information campaigns organised by technical assistance, representing around 23% from the population engaged in agriculture in the reference year (2006). This number is estimative, considering the fact that, most certainly, the persons participating in information initiatives in the territory were fully interested in the subject of agriculture and rural development (however, we cannot calculate exactly how many of these people were actually engaged in agriculture).

Also, we may not assert much about the tendency in the distribution of information instruments (such as, brochures, conferences, training courses, etc.) as:

1. this tendency is difficult to quantify, due to the fact that we do not have an exact summarization of the information initiatives concerning EU policies for rural development carried out before 2004;

2. the technical assistance actions, in this regard, have been totally complementary to other actions which have already been carried out by AM with the support of regional and local structures.

Considering these two elements, as well as the ones from above, the Evaluator could assert that the information actions promoted by technical assistance have contributed, in an extensive measure, to the knowledge of the rural population, concerning EU rural policies, especially due to the chosen information instruments, which relied very much on the use of mass communication media, such as television or written press, but also on the use of communication instruments characterized through the capillarity of information (caravans, organisation of local events, participation in local fairs, etc. ) To these reasons, considering information initiatives, we may add the fact that 70% of the technical assistance projects (meaning all the project, except for two dealing with the evaluation of the Programme and the technical assistance Programme for the organisation of the Monitoring Committee) have dealt in one way or another, with the problems related to the *acquis communautaire* in the field of agriculture and rural development.

In what the contribution of technical assistance to the familiarization of public national/regional/local authorities with EU norms and the mechanisms of the rural development policy is concerned, this is also estimated to be high, considering the following elements:

- the number of employees of the local public administrations is approximately 120.000 (data from the written press referring to the year 2009)
- dividing this number to the 2860 communes, we have an average of 41 employees per commune;
- during the information caravan organised through measure 4.2 between 2004-2005, 1.012 communes have been visited, amounting to over 42 thousand employees (meaning around 35% of the total number of employees of the local public administrations)

Thus, it is estimated that in total around 35% of the number of employees of the local public administrations in Romania have been familiarized with the policies of the EU norms and mechanisms in the field of agriculture and rural development, without considering the local public administrations which have participated in other events organised through Technical Assistance actions, such as national seminars.

### 6.3.2 Cross-cutting questions

**Common questions regarding the objective: contribution to the *acquis communautaire* implementation in relation to common agricultural policy**

**Question K1:** To what extent has the programme been conducive to adjust the agricultural sector and the rural economy to Community standards and to prepare them for the implementation of the *Acquis communautaire*?

Criteria	Source of indicators	Description of indicator	Achieved
1.1 Beneficiary sectors are more adapted to EU standards  - as regards the environment protection	Source: EU Guidelines	1.1 a Share of processing plants / enterprises in the agricultural / fishing sector or rural areas applying the EU environmental standards on a regular basis (%) (a) of which processing plants / enterprises (%)	0,1% (a) 0,1% of which Measure 441 of factories (M1.1) 1.910 of companies (M3.1) 1.011 of companies (M3.4) 34 of factories (M3.5 sub 3)
- as regards food quality and consumer protection	Source: EU Guidelines	1.1 b Share of agricultural / fishing production complying with EU standards for food quality and consumer protection (%) (a) of which processing plants / enterprises (%)	4,6% (a)4,6% of which 441 factories (M1.1)
- as regards animal health and welfare  - as regards safety and hygiene	Source: EU Guidelines	1.1 c Share of processing plants / enterprises in the fishing / agricultural sector or rural areas complying with EU standards for animal health and welfare (%) (a) of which processing plants / enterprises (%)	0,03% (a) 0,03% of which Measure 305 of factories (M1.1) 469 of companies (M3.1)

Criteria	Source of indicators	Description of indicator	Achieved
conditions at the workplace			16 of companies (M3.4)
- as regards fishing standards and regulations	Source: EU Guidelines	1.1.d Share of processing facilities / enterprises complying with EU standards in the field of safety and hygiene conditions at the workplace  (a) of which processing plants / enterprises (%)	0,1% (a) 0,1 % of which Measure 441 of factories (M1.1) 1.910 of companies (M3.1) 1.011 of companies (M3.4) 34 of factories (M3.5 sub 3)
	Source: EU Guidelines	1.1d Change in the share of fishing enterprises complying with EU fishing standards and regulations (%) (a) of which processing plants / enterprises (%)	0% (a) 0% of which Measure 18 of factories (M1.1) 16 of companies (M 3.4)
	<b>Impact indicators</b> (source: NPARD)	Share of laboratories using harmonised standards or Community reference analysis methods (Measure 1.2)	100%*
1.2 Increased awareness of private actors about EU rules and procedures for agricultural / fishing production	Source: EU Guidelines	Share of rural population (households, holdings, farmers, etc.), directly or indirectly reached by information or awareness raising campaigns funded by the programme (%) (a) of which on issues linked to accession (%)	11%* (a) n.a.**

\* indicators quantified and estimated by the evaluator based on direct investigation and context data available

\*\* information unavailable following the survey carried out by the evaluator

### Answer to the evaluation question:

In Romania the agricultural/agro-industrial sector has today an important role both regarding the participation to the Gross Domestic Product (12,1% in 2006)<sup>42</sup>, and the occupation of the workforce of the Romanian population (32% in 2006). In the table below we indicate a few data regarding the numerical compenence of various components of the Romanian agri-industrial sector, and in the next column the degree of coverage of SAPARD Programme. Taking into account the fact that the observance of the European Community norms in the realisation of funded investments was a compulsory requirement for the provision of the contribution, the Evaluator estimates that the beneficiaries of SAPARD Programme from the various frameworks of reference observe the European Community norms and the criteria required by each of the calls for proposals of projects for each measure issued by the Managing Authority.

One of SAPARD objectives was to promote among the final beneficiaries appropriate knowledge and the adoption of European standards on the subjects of food, work and environment safety. Therefore, a supposition of the Evaluator is that the beneficiaries of SAPARD Programme are among the subjects that apply today the European Community requirements correctly.

Table Number of companies from the agro-industrial sector and the number of companies beneficiaries of SAPARD Programme

Type of sector	Total Romania	Beneficiaries of SAPARD Programme	Level of coverage
Agroindustry	9.993*	459	4,6%
Agricultural companies	3.931.350*	2.921	0.1%
Zootechnical companies	3.333.490*	790	0,02%
Aquaculture	n.a.	34	n.a.

Source: \*Eurostat 2007 and monitoring data

As shown in the table above and the indicators relating to the evaluation question, the coverage capacity of SAPARD Programme compared to the agro-industrial context of Romania was limited in quantitative terms. The survey on the beneficiaries showed that this did not happen in qualitative terms.

There is no doubt that the Programme, in time, had a good capacity of privileging the adoption of the reference requirements by the final beneficiaries for the observance of European Community Regulations, especially regarding the welfare and safety of animals (this positive effect was found in 71% of the beneficiaries of Measure 3.1) work safety (Measures 1.1, 3.1, 3.4 and 3.5). Yet, the impact at national level was limited, especially regarding the agricultural/zootechnic sector characterized in Romania by a high level of fragmentation and thus, difficult to involve in processes of improvement and investment in its own production structure. It is important to note the share on the agri-industrial sector, which, as shown in document NRDP 2007-2013<sup>43</sup>, suffers a large-scale deficit regarding the capacity to observe the hygiene and sanitary norms to allow the circulation of its own merchandise on the single European Community market. In this respect, SAPARD Programme allowed at least 459 subjects to invest in production units, by improving the quality of work and the quality of products, observing the European Community norms, as the Applicant's Guide provided.

<sup>42</sup> INSSE

<sup>43</sup> NRDP Programme Version June 2010 – pag 28

On the other hand, even if the existing needs are still high, SAPARD Programme had a relatively high impact on the public sector and regarding the contribution to the improvement of the standard of living in the rural areas by the modernisation/extension of the basic infrastructure, about 30% of the communes of Romania are directly involved in the carrying out of investments in SAPARD Programme. The interventions funded by SAPARD also allowed the familiarization of the local public authorities of Romania with the agricultural and rural development policies, respectively the *acquis communautaire* in this field, preparing them for the implementation of European Community funds after the Romania's accession to EU in the current scheduled period 2007-2013 (see below).

As for the communication campaigns, remain valid those mentioned in the common evaluation questions for Measure 4.2. Taking into consideration the value of population of Romania in 2007, estimated at 9.882.200 inhabitants (Eurostat) we calculate that the radius of coverage of SAPARD communication campaigns reached 1.121.000 inhabitants from the rural areas, representing about 11, 1% of rural population. The value reached is justified and confirms the need that was fully observed with the new scheduled period 2007/2013, of initiating intensive communication and sensitiveness campaigns especially in the rural areas through the main mass media.

In **conclusion**, SAPARD Programme correctly approached the subject of the *acquis communautaire* in the field of Common Agricultural Policy, which allowed a correct information of the potential private and public beneficiaries. On the part of adoption of legislation, within the limits of the size of the Programme, several steps were taken, including, for instance, the provision in the calls for proposals of projects, of the obligation of observance of European Community Directives in the fields of safety, hygiene and welfare of animals as a condition of eligibility. Over 70% of the beneficiaries confirm that the observance of European Community norms in the field of work safety improves the quality of production. The contribution of Measure 1.2 (common evaluation questions was important for the identification of derogations from and violations of the existing norms, thus creating a network of laboratories that is able to monitor the health condition of animals and of derivative food products. SAPARD Programme was a first step for the adoption of the *acquis communautaire* in this field, and obviously, the fact that over 22% of the final beneficiaries of the Programme belong to the public sector allowed the spread within the institutions of the information regarding the basic principles of CAP mechanisms and of the support system in agriculture through the second pillar, respectively rural development. Without any doubt, the direct involvement of civil servants in the management of SAPARD Programme was a useful tool for a good implementation of the current rural development programme NRDP 2007-2013.

**Question K2:** To what extent has the programme contributed to establish and improve the implementation of CAP objectives and procedures at the administrations' level?

Criteria	Source of indicators	Description of indicator	Achieved
2.1 New legislation in the fields of action of the programme integrates CAP objectives and principles	Source: EU Guidelines	New legislation developed during the implementation in the field of rural development integrating CAP objectives and principles (description and links to RDP)	50
2.2 Administrations acquainted with EU standards, rules and procedures	Source: EU Guidelines	Share of officials working in the field of rural development acquainted with EU standards, rules and procedures (%)	58%

\* indicators quantified and estimated by the evaluator based on the context data available

**Answer to the evaluation question:**

In more details, as for the adoption of the legislative framework necessary for the adherence to CAP, the year 2000 marked the beginning of the decade of integration, characterized by reforms targeting the adoption of the *acquis communautaire*, the obtaining of the status of market economy and the supporting of commercial holdings. In this context, different forms of support were given for the improvement of the technical equipment of the holdings, the support of the production of merchandise and the procurement of inputs (source: *Final Report of SAPARD Programme*). Moreover, a relevant number of legislative documents was approved, in total 50 documents (the most important ones), regarding the main following subjects: the institutional system of management of the agricultural and rural development policy; the ratification of the agreements of Romania with European Union concerning SAPARD Programme; the regulation of the groups of producers; the regulation of less advantaged areas (including the areas affected by floods); agricultural credits.

As for the contribution of the Programme to the familiarization of the local public authorities of Romania with EU standards, norms and procedures, the estimation of the share of civil servants took into consideration the following elements (already approached, in part, in the evaluation answers for measure 4.2):

- the number of civil servants in the local public administrations is about 120.000 (data from written press regarding the year 2009);
- by dividing this number by 2860 communes, it results an average of 41 civil servants by commune;
- at the level of measure 2.1, until 2004, projects had already been contracted amounting to over 78% of the total amounts contracted until 31.12.2009, which means that by extrapolation, about 656 projects / communes, summing up on average about 27.500 civil servants, which is 23% of the total, had already been familiarized with the subjects regarding the rural policies of EU;
- in the information caravan organised by measure 4.2 during the years 2004-2005 a number of 1.012 communes were visited, summing up over 42 thousands civil servants (which is about 35% of the total number of local civil servants).

Therefore, we estimate that in total at least 58% of the civil servants who work in the field of rural development familiarized with EU standards, norms and procedures following the implementation of the programme.

**Common questions regarding the objective: contribution to solving of priority and specific problems for the sustainable adaptation of the agricultural sector and rural areas in the applicant countries**

**Question L1: To what extent has the programme helped stabilising the rural population?**

Criteria	Source of indicators	Description of indicator	Achieved
1.1 Age profile of the population benefitting from assistance contributes towards maintaining / promoting a balanced population structure	Source: EU Guidelines	Share of persons working on beneficiary farms / forests holdings and aged: (a) < 30 years (%) (b) 30-39 years (%) (c) 40-60 years (%) (d) > 60 years (%)	(a) 7%* (b) 33%* (c) 50%* (d) 10%*
1.2 Gender profile of population benefitting from assistance contributes towards maintaining / promoting a balanced population structure	Source: EU Guidelines	Ratio of female to male for persons benefitting from assistance  Share of assisted projects developed by women (%)	0,82*  45%*

\* indicators quantified and estimated by the evaluator based on direct investigation and the context data available

**Answer to the evaluation question:**

As mentioned previously in the description of the Romanian agricultural context in the document NRDP 2007-2013<sup>44</sup>, the population from the rural areas of Romania is subject to a great pressure. The rural areas of Romania are interested in a vast phenomenon recognized by the researchers of demographic movements of internal migration to the urban areas, where there are better work opportunities or emigration to other countries among the member states of EU (EU27) which offer more satisfying incomes for the same types of work. As mentioned previously, SAPARD Programme did not act for various reasons for the agricultural companies of semi-subsistence, but for the medium and large enterprises that represent a minimum part of the number of agricultural companies, but which from the economic point of view are the most dynamic ones, assure the best the possibility of reversal of this tendency of economic decline from the rural areas and can be the engine for their development.

Therefore, the impact of the Programme on the structure of the population from the rural areas which works in the beneficiary farms/forests is quite limited and for the description of criterion 1.1 and 1.2 we took into consideration the Measures: 1.1, 3.1 and 3.4 and partially, the measure 3.5, which targeted directly the agricultural/forestry/commercial companies, while the other measures had public final beneficiaries, making it impossible to quantify the indicators of this type for the local institutions.

<sup>44</sup> NRDP Programme Version June 2010, page 23

Under these circumstances, it is interesting to note, as shown in the table below, the structure by groups of age of the heads of agricultural holdings in Romania and of the beneficiaries of SAPARD Programme.

*Table. Distribution of the beneficiaries of SAPARD Programme from the agricultural sector by groups of age (Measures 3.1 and 3.4)*

Age	Heads of agricultural holdings in Romania by groups of age*	Beneficiaries of SAPARD** (only the Measures 3.1 and 3.4)
< 35	6,0%	16,4%
35-44	8,9%	29,1
45-54	11,3%	23,6%
55-64	22,4	27,3%
> 65	51.3	3,6%

\* Eurostat 2005

\*\*estimation on direct evaluator survey

From the data above, which contains data that differs from the data specified in the indicator required by the common evaluation questionnaire, we emphasize the net contribution of SAPARD Programme to the rejuvenation of the holders of agricultural companies and appears conspicuous the contribution to the support of the vital territories by agricultural entrepreneurs with desire of investments and promotion of typical dynamics for rural development.

In fact, for the criterion 1.2 regarding the female contribution it is noteworthy that almost half of the direct beneficiaries of SAPARD, apart from the public beneficiaries, are women, proving that the Programme has directly contributed to the inclusion of women in the work activities and in the national entrepreneurial system in the field of agriculture and rural development.

Even if the Guidelines of European Commission do not include specific indicators regarding the contribution of the measures targeting the infrastructures from the rural areas to the demographic stabilization in these areas, the Evaluator considers relevant to mention the fact that, as it results from the results of the questionnaires received from the beneficiaries of this type of measure (mainly, the local public administrations, measure 2.1), the fact that the improvement of the infrastructures contributed to the attraction of the young and in general, to the retention of population in the rural environment. We must also mention that the isolation of the effect caused by each factor which contributes to demographic phenomena is an exercise possible only through dedicated statistic and sociological research. Moreover, the evolution of the rural population in Romania, characterized by a decrease by 5,21% in the period 2002-2009, can be mainly integrated in two main demographic phenomena, both of them being independent from the factor of equipping the rural areas with infrastructure: 1. the phenomenon of aging of population, which characterizes the evolution of population in the whole Europe and more profoundly in its rural areas; 2. the phenomenon of late urbanization of the population of Romania.

On the other hand, the analysis of the evolution of population by regions of development and counties shows a great variability of this indicator at territorial level. For instance, four counties (located in the Central, North-Eastern and South-Eastern regions) recorded a decrease in urban population and an increase

in rural population, respectively: Braşov (+3,97%), Covasna (+0,98%), Bacău (+2,04) and Constanţa (+5,3), and Iaşi county recorded an increase both in urban population (+3,76%) and in rural population (+1,05%). Moreover, in eight counties (located in the Central, South-Eastern, South Muntenia and Western regions) the rural population decreased less than the urban population, respectively: Harghita, Brăila, Galaţi, Vrancea, Călăraşi, Prahova, Caraş-Severin and Hunedoara.

For these counties we can put forward the hypothesis that an improvement of the rural infrastructure contributed to a relatively positive evolution of the rural population, but we must take into account that other factors may have had an important role, including the industrial crisis and the crisis of jobs in the main towns from these counties and, as the case of Iasi county could be, a general demographic tendency of growth of population both in the urban and the rural environment.

**Question L2:** To what extent has the programme been conducive to creating/ maintaining employment opportunities in the rural areas?

Criteria	Source of indicators	Description of indicator	Target	Achieved
2.1 Employment is created or maintained, directly and indirectly by the programme, in enterprises in rural areas or in branches connected with agriculture and fishing sectors	Source: EU Guidelines	Employment maintained / created in directly / indirectly benefitting enterprises (FTE) (a) of which women (%) (b) of which young people (under the age of 30) (%) (c) of which concerning the pluriactivity of part-time farmers (%) (d) of which indirectly, as a result of supplier and income multiplier effects (%)	91.339	67.970* ENI (a) n.a.** (b) n.a.** (c) 0% (d) n.a.**

\* indicators quantified and estimated by the evaluator based on direct investigation and context data available

\*\*information that is not obtained from the taking of direct interviews with the beneficiaries

**Answer to the evaluation question:**

Among the relevant aspects that SAPARD Programme took into consideration as level of generated impact there is definitely the occupation of the workforce and the privileging of the increase in the occupation in rural areas. As mentioned in NRDP 2007-2013<sup>45</sup>, the occupation of the workforce in the rural areas of Romania is in decline and the active population passed from over 4,5 millions in 2002 to less than 4 millions in 2007. This population oriented to the urban areas where the work opportunities in the non-agricultural sectors offer better incomes<sup>46</sup>.

The work market in the rural areas of Romania has certain characteristics. In reality, the data shows that the level of occupation in the rural areas is on the decrease compared to the urban areas and one of the main reasons of migration to the urban centres is the occupation. The problem is related not only to

<sup>45</sup> Programme NRDP Version June 2010 – page 14  
<sup>46</sup> DG- AGRI Agricultural Policy perspectives "Members States Factshett Romania" March 2011, page 9

the number of jobs, but also to their **quality**. In the rural areas a model of agriculture of subsistence still prevails, leading to the stagnation of the standard of living of the interested population: in fact, the occupation in agriculture hides in general a sub-occupation in the agriculture of subsistence. In order to countervail this phenomenon, SAPARD Programme has intervened on certain aspects of the work market, from the creation of adequate infrastructure to the support for the companies that produce and process products of agricultural origin up to the diversification of primary activities and the maintenance of the forestry patrimony.

The work market in the Romanian rural areas is going through a profound transformation, from a system centered on primary activity to a system to re-launching industry and services. SAPARD Programme tried to support this transformation and the table below shows the targets estimated by the Evaluator for the creation/maintenance of jobs following financing. The values shown below will be taken into account on the basis of the sampling system shown in chapter X. There is a 6% error margin in order to be able to assure a 95% confidence in the data presented.

*Table. Jobs created/maintained following the initiation of a project funded by SAPARD per measure and unit costs per ENI:*

	Target		SAPARD a	Paid € b	€/FTE b/a
	Maintained	Created			
Measure 1.1	13.300	5.700	27150	351.024.392	12.929
Measure 1.2			24	29.355.166	1.223.132
Measure 2.1		14.400 (temporary)	16.378	600.300.647	36.653
		1.400 (permanent)			
Measure 3.1	16.800	3.200	13.404	236.839.730	17.669
Measure 3.4	14.200	21.300	10.946	68.196.078	6.230
Measure 3.5		1.039	68	57.599.433	847.050
Total	44.300	47.039	67.970	1.343.315.446	19.763

The average cost for a job created is about **19.763 €**, figure justified by comparison to the reference sectors and the cost of living in general in Romania. It is also noteworthy that for the diversification of agricultural activities, the cost for the creation of a new job is very low. The services sector, especially in the rural areas, as it results from the direct investigation on the beneficiaries, allows a vast space, but with quite limited investments.

As for the forestry sector the sub-measures activated did not influence the long or medium-term occupation, thus limiting the impact of the Measure on the occupation of the workforce, even if they are investments that privileged the access to forests, and indirectly improved the competitiveness of the forestry sector which, as shown above (the common evaluation questionnaire) is dynamic and on the increase. The data shown is even more relevant if it is compared to the context of the reference sector.

As for the measure 2.1 it is noteworthy that the number of jobs created/maintained is definitely underestimated, taking into account two main elements:

1. the fact that the infrastructures created/modernised require maintenance works which, at least in theory, should have created a number of permanent jobs after the completion of the investment (construction); yet, the number of permanent positions completed at the maintenance of infrastructures could not be accurately estimated, taking into consideration that about 39% of the beneficiaries of measure 2.1 declared that because of the lack of funds, would not be able to maintain the investments made and almost 7% of the respondents could not/did not know how to answer the question: *“Do you think that the maintenance of the infrastructure made can be easily done or is it a too large burden in terms of human resources and funds to invest?”*.
2. the strategic value of the investments in infrastructure in their quality of “levers” of economic and territorial development determined an increase in the attractiveness of the interested areas and a general improvement in the standard of living of the inhabitants of these areas, including a major contribution to the increase in occupation both in the public and the private sector, in all the economic fields, as the whole community and the business environment in general are the indirect final beneficiaries of an improvement in infrastructure.

It is also noteworthy how in the period 2003/2009 the occupation of the workforce in Romania in the sectors: “agriculture, hunting and related services”, “Forests and aquaculture”, “Agri-food industry”, “Industry of beverages” yielded together a reduction by 10 % (NACE rev.2). In this context we understand how the impact of SAPARD on the reference sectors was a positive one, contributing in explicit form both to the maintenance and the creation of about **68.000 jobs in the rural areas of Romania**.

In **conclusion**, the activity of evaluation regarding the occupation of the workforce brought to light the positive impact generated by the Programme, both in direct and indirect form regarding the stabilization of the population in the rural areas following the creation of jobs.

**Question L3:** To what extent has the programme been conducive to improving the standard of living of the beneficiary population?

Criteria	Source of indicators	Description of indicator	Achieved
3.1 Income of the assisted rural population maintained or improved directly or indirectly by the programme	Source: EU Guidelines	Ratio of average variation of income of directly or indirectly assisted population to average variation of income of overall population	33/33,4 = 1
	Indicators of <b>impact</b> (source NPARD)	“Gross farm income” on the farms having benefitted from assistance (EURO) (Measure 3.1) Increased producers’ income as compared to the previous situation (Measure 3.2) Share of the gross income of the beneficiaries earned (generated) off-farm thanks to the assistance (euro / beneficiary), of which: (a) from tourism	28,5% unavailable 48%* (a) 40%*

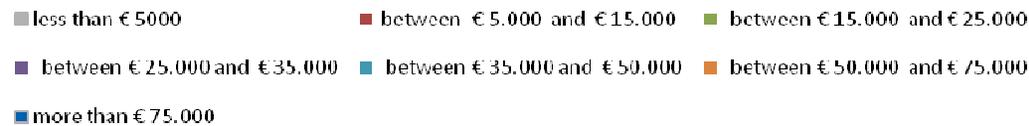
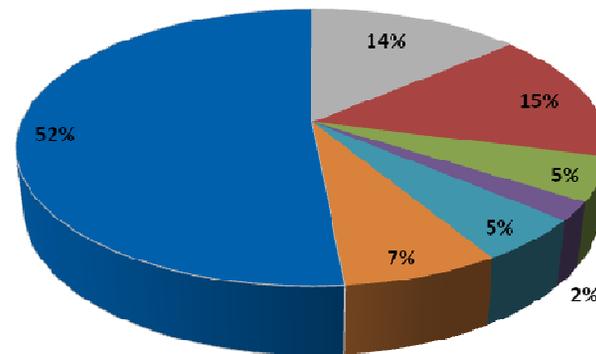
Criteria	Source of indicators	Description of indicator	Achieved
		(b) from crafts and local products (Measure 3.4)	(b) 8%*
3.2 Access of rural population to services improved directly or indirectly by the programme	Source: EU Guidelines	Share of rural population having access to the programme services (%) (a) of which directly or indirectly supported by the programme (%) (b) of which basic services (water supply, sewage, electricity) (c) of which telephony and telecommunication services (%) (d) of which cultural/social services (%)	about 30% (a) 100% (b) 14% (c) 15,4% (c) not applicable

\* indicators quantified and estimated by the evaluator on the basis of direct investigation and the context data available.

#### Answer to the evaluation question:

In order to answer this evaluation question, the Evaluator did a series of analyses to be able to quantify the first criterion. What is interesting to notice is that the data from the report "Social Trends" NSI 2005 highlights that 45% of the incomes of the population residing in the rural areas derives from agricultural activities, confirming the centrality of the primary sector. The analysis of SAPARD beneficiaries highlighted that they do not represent the classic family agricultural company of subsistence, which represents about 85% of the Romanian agricultural companies, but the multifunctional subjects active in the rural space. By its integrated support for development, SAPARD tried to involve subjects from other sectors (according to the answer to question M1) and following survey it resulted that only 21,6% of the beneficiaries were exclusively agricultural companies. So, the heterogeneity of the types of beneficiaries makes difficult an accurate quantification of the method of deployment of incomes, without taking into consideration that over a third of the subjects that participated in SAPARD Programme are public subjects and they did not have immediate fluctuations on the incomes, but indirect effects (and costs rather than immediate gain, because of the nature of investments in infrastructure). It resulted especially that about 50% of the beneficiaries of SAPARD belongs to a class in which the turnover exceeds 75.000 € yearly, so we are talking about entrepreneurs with already active structures or structures activated due to SAPARD Programme, with a certain relevance of the capacity to finance themselves and deal with the challenges of the market.

In the diagram below the Evaluator notes the distribution of the beneficiaries of SAPARD Programme for the Measures 1.1/3.1/3.4 depending on the category of turnover.



Taking everything into account, following this direct investigation, it resulted that a positive influence of financing on incomes was recorded in a general form. For 64% of the subjects that got involved in this initiative (only for the Measures that addressed economic activities 1\_1/3\_1/3\_4/) there was a positive impact on their own incomes. These positive effects generated on average, two years after the completion of the intervention, an average increase in incomes by 33%.

In order to be able to determine the common characteristic of criterion 3.1, as it was required by the EU Guidelines, the Evaluator took the data regarding the variation of incomes in the Romanian rural areas as it was presented by INSSE. Afterwards an index was elaborated for the variation of the normalized consumption costs on the basis of inflation rate (HICP based on Eurostat data) with the year of reference 2005 assuming it as the year of start of the initiative funded by SAPARD. Then, in the next row, we calculated again the variation of incomes based on the real purchasing power as it is presented in the table.

	2004	2005	2006	2007	2008	2009
Income by person/ month (Lei RON)	326,2	339,7	375,8	465,7	580,5	637,1
Consumer Price Index (inflation)	92	100	107	112	121	127
Real indexed income (depending on inflation)	355,9	339,7	352,5	416,5	481,1	500,0

As is possible to understand, the variation of incomes and of real incomes is quite irregular, for which reason, for a better interpretation and in order to reduce the temporal analysis errors, the evaluator took into consideration the average variation of real incomes in the three-year temporal arc as it is presented in the table below.

Average income 2004-2006	Average income 2007-2009	Variation %
(a)	(b)	(b/a)
349,4	465,9	<b>33,35</b>

The variation of incomes above average in urban areas between the values presented in column (a) which roughly represents the year of realisation of the investment SAPARD and the column (b) which is the year of completion of the investment is about 33,35.

All this allows the quantification of criterion 3.1, as it was required by EU Guidelines, at the numerator there is the “average variation of the incomes of the beneficiary population” with a value of about 33% and at denominator there is the “variation between the average income at the start of the initiative SAPARD and the average income at the conclusion of the initiative SAPARD, value approximated at 33,35%. This fraction has the value 1 proving how SAPARD contributed to maintaining the incomes even compared to this context.

In this context, the denominator – which it represents an average variation and moreover, it does not take into account the differences from inside the increase in incomes. In an economy in process of development such as the Romanian economy, it is not a problem of growth, but a problem of redistribution of riches. In this respect, SAPARD guaranteed a support for the most underprivileged economic sectors (agriculture and tourism), which in general terms does not represent the engine of rural spaces such as the processing industry is. In this respect, the value thus quantified, 1, must be considered more than positive.

The table below highlights the result on the average increase in incomes following the direct investigations carried out on the three measures that addressed the private companies.

Table: Variation % of the income in the companies that benefit from financing

	Total	Measure 1_1	Measure 3_1	Measure 3_4
Average variation	<b>33%</b>	<b>14%</b>	<b>37%</b>	<b>59%</b>

*Source: estimated by the evaluator on the basis of direct investigation*

In conclusion the Evaluator notes that the most significant variation was recorded at the beneficiaries of the Measure related to the diversification of the activities of the company, confirming that diversification by creating occupation in non-agricultural sectors in the rural space would be the key to a sustainable development at local level in these areas.

This conclusion is the same that results from the analysis of the other indicators of impact of criterion 3.1.

As for the criterion 3.2, certainly the Programme privileged the improvement of the standard of living of the population benefiting from assisted actions, especially by increasing its access to the basic services, which led, among other things, to the improvement of the sanitary conditions. In this respect,

considering the number of inhabitants that benefited from the interventions co-funded by SAPARD Programme in the field of infrastructure of sewage and distribution of drinkable water (1.368.459 persons), the share of the rural population with direct access to the services of the programme is about 14%.

The Evaluator also estimated that about 15,4% of the rural population had direct or indirect access to the communication services, and the public roads modernised or built ex novo. This estimation was based on the following data:

- the number of inhabitants from the rural environment from Romania reported by Eurostat for the year 2007 (about 9,88 million persons);
- the number of rural towns from Romania for the year 2009 (2.860 units);
- the average number of inhabitants by rural town, about 3.455 persons;
- the average number of inhabitants by rural town multiplied by the number of beneficiaries of sub-measure 1, regarding the consolidation of the network of communal roads (442) shows a population of about 1.527.000 persons that are direct/indirect beneficiaries of the infrastructure of roads funded by the Programme SAPARD;
- this number was reported to the total rural population shown above.

Therefore, we can estimate that about 30% of the rural population of Romania has directly or indirectly benefited from the services provided/improved by the Programme SAPARD.

In **conclusion**, the Programme contributed in a more than positive manner to the improvement of the quality of the life of rural population, both in terms of incomes, standard of living and in terms of infrastructure and links. The annual average increase by 33% in the incomes of the beneficiaries of SAPARD proves the positive impact generated on the directly beneficiary population and also compared to the non-beneficiary population. On the other hand, the capacity of decrease of the time necessary for crossing distances by the population privileged the access to basic services (among which, schools, hospitals) influenced in a vast way the quality of life in the rural areas. However, the effect was a limited one on the incomes of the population because of the limited resources available while the degree of coverage of the infrastructural initiatives was relatively better, as about 30 % of the population residing in the rural environment became directly or indirectly interested in the investments made. Moreover, for that part of the population that benefited from the Programme SAPARD there was no doubt an important improvement in the quality of life, even if there are still today structural problems/ shortages regarding the access of rural population to the basic infrastructure, which will have to be approached in the new scheduled period.

**Question L4:** To what extent have the assisted actions contributed to diversify the rural economy and improve the market situation of the rural areas?

Criteria	Source of indicators	Description of indicator	Achieved
4.1 More dynamic economy in rural areas	Source: EU Guidelines	Number of directly or indirectly assisted new economic activities in beneficiary areas Evidence of improved dynamics in beneficiary areas (description)	<b>1.088*</b>
4.2 Productivity has been improved and / or production costs reduced in key production	xd4e+	Added value in key production chains, before and after the assistance	15,8%*

Criteria	Source of indicators	Description of indicator	Achieved
chains thanks to the programme	Indicators of <b>impact</b> (source NPARD)	Added value of the products obtained on the beneficiary processing and marketing lines (Measure 1.1)	15,8%*

\* indicators quantified and estimated by the evaluator on the basis of direct investigation and the context data available

#### Answer to the evaluation question:

As for the vitality of the rural sector, SAPARD definitely had a vast and important contribution to the revitalization of the production sectors from the rural areas. The trends prove that we assist to a slow decline of the activities related to the primary sector in the rural areas, while the direct investigation on the beneficiaries confirms the enthusiasm, and interest of the beneficiaries for this type of opportunities. Therefore, it is relevant that SAPARD has directly or indirectly stimulated the creation of over 1.000 companies (commercial, agricultural, processing companies) confirming that the respective contributions activated resources and stimulated the beneficiaries to invest in the rural space and in projects capable of promoting local development in its various forms (from tourism, diversification of agricultural activities, the increase of competitiveness in view of improving the quality of products). Over a third of the private beneficiaries that benefited from SAPARD can be considered new initiatives which in the long run allow an exchange in the production sectors of the areas of reference.

The indicators for the criteria 4.2 are hard to quantify because of the lack of information. These indicators were not followed by the monitoring system of SAPARD Agency and the beneficiaries listed in the sample of direct investigation by questionnaire in most of the cases avoided to answer or cannot appreciate quantitatively the evolution of the indicators of result followed.

As for the analysis of the increase in the added value, it was hard to quantify, the Beneficiaries provided clear answers in this respect only to a very small extent. So, the Evaluator used alternative indicators such as the increase of productivity and the improvement and rationalization of processing and marketing of products following the completion of SAPARD projects, which were observed by 60-70% of the beneficiaries. On the other hand, concentrating less than 10% of the sales quota, European Union market remains a relatively marginal outlet for the Romanian agricultural products. Therefore, the Evaluator concluded that the investments supported by the Programme SAPARD (and especially by Measure 1.1) contributed to a large extent to the increase in the added value of agricultural and fishery products by the improvement and rationalization of the processing and marketing of products, but the integration of Romanian products on the European market is still low.

**Question L5:** To what extent have the assisted actions contributed to protect the environment of the rural areas?

Criteria	Source of indicators	Description of indicator	Achieved
5.1 Protection of environment in rural areas has improved	Source: EU Guidelines	Share of the rural territory directly or indirectly protected thanks to the assistance (%)	1,8%
5.2 Wastes management has improved	Source: EU Guidelines	Volume of waste collected / treated thanks to the assistance (m <sup>3</sup> ) (a) of which water treatment (%) (b) of which solid waste treatment (%)	about 179 million m <sup>3</sup> (a) 100% (b) n.a.
	<b>Result</b> Indicators (source NPARD)	Residual products / wastewater drainage / wastewater treatment in treatment plants pursuant to the assisted actions (Measure 2.1)	16,4%
5.3 Awareness of environmental issues has increased amongst the rural population	Source: EU Guidelines	Share of rural population involved in assisted actions related to environmental protection of any kind (%; e.g. environmental training, pilot activities, information campaigns, etc.)	3,4%

\* indicators quantified and estimated by the evaluator on the basis of direct investigation and the context data available

**Answer to the evaluation question:**

As for the impact on the protection and preservation of the environmental patrimony in general, the Evaluator emphasizes that the Programme SAPARD did not have the effects determined within the schedule as the impact on environmental protection was generally low.

As for the contribution of investments from the private sector in environmental protection, we can see that the measure that should have had the highest impact, which is Measure 3.3, targeting the promotion of agricultural systems with a low level of impact on the environment did not have the expected results, first of all because the measure was accessed by a single beneficiary.

However, we can see the relatively important impact that the investments from the public sector in certain sectors had on the improvement of environmental conditions, especially, from the perspective of protection of the soil. We mention in this respect the important contribution that the sewage infrastructure has on the quality of the soil, as well as the importance of arrangements of infrastructure made for the prevention and protection from floods and the investments dedicated to the conservation and consolidation of the forestry resources for the sustainable use of the soil and of the natural patrimony in general. Therefore, as shown in the table below, for the estimation of the surface of the rural territory that was directly or indirectly protected by the investments SAPARD we took into account the following elements: 1. average surface of the rural localities applied to 91 beneficiaries / communes of sub-measure 3 regarding the sewage system; 2. hectares of land interested in the investments for the protection from floods; 3. hectares of land interested in the forestation measures; 4. the land interested in the agricultural environmental measure.

*Table: Contribution of SAPARD Programme to the protection of the rural land*

Measure / submeasure	ha
2.1	437.457
submeasure 3*	434.123
submeasure 4	3.334
3.3	50
3.5	119
Total	437.625
total Romania (ha)	23.839.100
% surface	1,8

Source: elaborated by Evaluator

\* the value was approximated taking into account the average surface of rural localities (4.770 ha) – calculated by reporting the rural surface (13.643.850 ha) to 2860 localities – Applying this average surface to 91 communes interested in the investments in the field of sewage

Moreover, the Evaluator considers that this share is underestimated, because it does not include the surface interested in the projects of road infrastructure, which certainly indirectly and relatively contributed to the reduction of air pollution in the interested localities by the fluidization of the road traffic and the reduction of the time of crossing distances.

As for the volume of treated wastes following the investments made by the Programme SAPARD, it can be estimated at about 16,3 million m<sup>3</sup>, as far as it concerns the contribution to the treatment of waste waters in the submeasure 3 of the measure 2.1, estimation based on the investigation carried out on the beneficiaries of the submeasure. Based on it, on average a sewage project allowed the treatment of a volume of about 179 thousand m<sup>3</sup> of waste water by year, which, compared to the 91 funded projects shows the volume mentioned above, representing 100% of treated residual water. To this we can add the residual products purified following the processing of meat and milk in the measure 1.1, the authorisation of these investments being subordinated to the assurance of appropriate preliminary treatment or treatment plants depending on the infrastructure that exists in the area of the site. These residual products total a volume ten times<sup>47</sup> higher than the volume of waste waters treated following the realisation of the infrastructural investments from the submeasure 3 of measure 2.1, which means about 163 million m<sup>3</sup> of treated waters, which, together with those mentioned above total about 179 million m<sup>3</sup> of treated product.

The volume of treated waters estimated by this method represents about 20% of the flow of operational plants for the treatment of residual water existing in Romania in 2004.

Even if it is not possible to quantify exactly the volume of solid wastes treated following the implementation of the investments co-funded by the Programme SAPARD, we mention that the substances that remain from the treatment of waste waters are collected under the form of dewatered sludge which is successively used as agricultural fertilizer, thus contributing to environmental protection. The solid wastes (uneatable or confiscated) produced from the

<sup>47</sup> Source: data provided by the Beneficiary.

processing of meat are collected in special conditions of hygiene and delivered to specialized units authorized to process them, so they do not have a negative impact on the environment.

As for the share of waste waters properly treated, this value cannot be accurately estimated, but for its approximate estimation we can have in view that the share of rural localities connected to the sewage network in 2009 was 16,4%.

Finally, (criterion 5.3) we can say that the Programme SAPARD contributed only to a relatively small extent to the awareness of the rural population about the environmental issues, the share of the population involved in assisted actions related to environmental protection of any kind being only 3,4%. This share includes: the population from the rural environment that was interested in the investments in the field of sewage, which was induced to give up using the traditional systems of elimination of waste waters that determined the pollution of the soil or surface waters; the beneficiary of the pilot agri-environmental measure (3.3); the participants to the professional training courses in the field of environmental protection.

*Table: Contribution of the Programme SAPARD to the awareness of the rural population regarding the environmental issues*

Measure / submeasure	Number of persons
2.1	339.330
<i>submeasure 3* - sewage</i>	339.330
3.3 - pilot agri-environmental measure	1
4.1 – vocational training	437
total population involved	339.768
total Romania (rural population)	9.882.200
<b>% population</b>	<b>3,4</b>

*Source: elaborated by the Evaluator*



## Common questions concerning the conception and implementation of the programme

**Question M1:** To what extent have the implementing arrangements contributed to maximising the intended/ concerned effects of the programme?

Criteria	Source of indicators	Description of indicator	Achieved
1.1 The assisted actions are concerted and complementary, so as to produce synergy through their interaction on different aspects of rural development problems / opportunities	Source: EU Guidelines	Frequency of groups/ combinations of actions / projects: (a) within measures (%) (b) and / or between measures (%) (c) and / or between SAPARD and other pre-accession funds (notably PHARE) (%)	(a) 85% (b) 24,4% (c) 21%
1.2 The uptake within the programme (by holdings, enterprises, associations) involves those having the biggest need and / or potential for the adaptation of rural economies to the single market and the implementation of the acquis (adaptation to EU standards and procedures) in the area concerned by the programme, thanks to a combination of implementing arrangement such as eligibility criteria, premium differentiation and / or project / criteria for selection of projects, as well as the absence of unnecessary delays and bureaucratic costs for these beneficiaries	Source: EU Guidelines	Main types of direct beneficiaries and operators (e.g., holdings, enterprises, associations, networks; processors / marketers; arable / pastoral; small / large; etc., including administrations and officials at all levels) involved in the programme (rank) Description of premium differentiation arrangements, according to the needs and characteristics of beneficiaries Evidence of discouraging, unnecessary delays or costs for the direct beneficiaries / operators (description)	see evaluation answer
1.3 Beneficial effects have been maximized through a combination of eligibility criteria, premium differentiation or procedures / criteria for the selection of projects	Source: EU Guidelines	Leverage rate = {total spending by direct beneficiaries on assisted actions} to {public co-financing} Evidence of dead-weight (description and approximate quantification) Evidence of actions / projects resulting in beneficial indirect effects (description)	2,2 52% see the evaluation answer

\* indicators quantified and estimated by the evaluator on the basis of direct investigation and context data available

**Answer to the evaluation question:**

The methods of implementation contributed to a quite large extent to the maximization of the effects provided/ targets of the Programme, producing synergies in the measures, between the measures and SAPARD and other funds, especially the pre-accession funds Phare.

Especially:

1. The measures 4.1 and 4.2 were structured so that they are cross-cutting to the other measures of the programme by the types/combinations of actions supported by them. Especially, we can say that the training initiatives promoted in the measure 4.1 were in whole (100%) complementary / synergic to the other measures of the Programme, each of the five projects approaching the subjects of several measures of the Programme. Also, 70% of the AT projects (more specifically, the three studies conducted, the two projects of organisation of the national seminars and the two information campaigns) implemented interacted/ were complementary in a way or another with the other measures of the Programme. So, the mean between the two measures is 85%.

2. As for the synergy that exists between the measures of the Programme, it is generated, among other things, by the use of general criteria of eligibility and selection of the beneficiaries and of interventions common to several measures. The analysis done on these general criteria by measures (86 in total, for the measures 1.1, 1.2, 2.1, 3.1, 3.2, 3.3, 3.4 and 3.5) showed that about 24,4% of these criteria, respectively 12 eligibility criteria and 9 selection criteria were able to create synergies between measures, privileging the following elements: location of interventions in the underprivileged areas/ areas affected by floods/ with agricultural potential; the professional qualification of the beneficiary; the promotion of diversity of activities in the rural environment; the promotion of associations of producers; the development of rural infrastructure; environmental protection.

3. Finally: over 21% of AT projects funded by SAPARD (representing 3 projects, respectively the project for the organisation of CM and the two projects targeting the evaluation of the programme) were complementary with other technical assistance projects funded from Phare Programme (including institutional twinning projects) with the purpose of supporting the organisations involved in the management and implementation of the Programme SAPARD

As for the criterion 1.2, the category of SAPARD beneficiaries is wide, but at a first analysis it is possible to make a distinction, on the basis of the monitoring information available, between the public and private beneficiaries, as indicated in the following table:

Measure	Number of beneficiaries	
	Public	Private
Measure 1.1		446
Measure 1.2	20	
Measure 2.1	839	
Measure 3.1		1.911
Measure 3.2		3
Measure 3.3		1

<b>Measure 3.4</b>		<b>1.021</b>
<b>Measure 3.5</b>	<b>73</b>	<b>39</b>
<b>Total</b>	<b>931</b>	<b>3.415</b>

Especially, by the primary data collected it is possible to divide the total number of beneficiaries by typology, and the result is presented in the table below:

Tab X Beneficiaries divided by their type (source: direct investigation of final beneficiaries)

Type of beneficiary	%
Company	33,2%
Local Council	31,6%
Agricultural companies with private capital equal or at least 75%	21,6%
FA (family association)	4,4%
Public laboratories	2,4%
Associations of producers	2,0%
Self-employed persons	1,6%
National Administration	1,2%
Private agricultural company founded based on the Law no. 36	0,8%
Associations of communes	0,8%
Agricultural association	0,4%

One can see a wide range of typologies of beneficiaries of the Measures SAPARD, and it guarantees a wide spread of the European Community norms in all the fields of the agri-industrial sector, privileging an integrated approach in the development of rural areas involved in this process. The companies, the main beneficiaries of the Measures 1.1 and 3.4 are the main recipients as number, then follow the public beneficiaries for initiatives related to infrastructure and in the third place there are the true agricultural farms which represent 22% of the beneficiaries of SAPARD.

As for the participation in the Programme and the methods of management of procedures, a part of the questionnaire used with the final beneficiaries targeted these very matters, and the main aspects encountered are summed up as follows:

In relation to the third criterion regarding the maximized positive effects going through a combination of initiatives, the Evaluator quantified the three indicators that refer to this criterion.

As for the “Leverage ratio”<sup>48</sup> generated by the Programme SAPARD, following the direct investigation on the beneficiaries, it resulted that for each Euro made available by the Programme, it stimulated on average an investment of 1.2 euro from the beneficiaries. It is obvious that this leverage ratio differs depending on each measure taken separately, as the Evaluator notes in the table below:

	SAPARD	Measure 1 1	Measure 1 2	Measure 2 1	Measure 3 1	Measure 3 4	Measure 3 5
Leverage ratio	2,2	3,6	0	0,2	4,3	4,2	0,2

It highlights how the start of investment differs from one measure to another, depending on the heterogenous typology of the beneficiaries, if the Measures 1.2/2.1/3.5 had a reduced capacity of stimulation of investments, because of the fact that almost always were involved public beneficiaries that made the investments 100% with the contribution of the Programme and apart from this investment SAPARD they have very limited own resources.

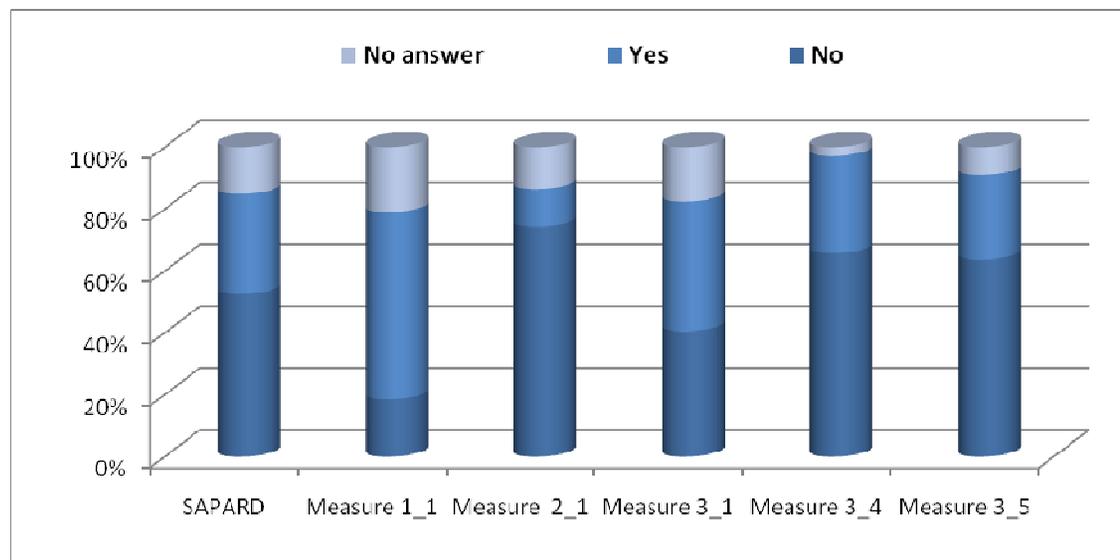
It differs though the capacity of promotion of investments within the Measures that are addressed to the private companies where the “Leverage ratio” seems to have reached satisfying levels, especially for the Measures 3.1 and 3.4 where, a private investment of about 3 euro corresponded to each euro made available by SAPARD. The multiplication effect represents one of the objectives of the co-funded programmes that aim to produce a virtuous circuit of economic development supporting the investments and reducing this way the risk of private companies.

Relatively though, in the analysis of the “deadweight effect”, it is identified as the possibility that the same initiative had been implemented even in the absence of financing, in this respect being relevant the question addressed to the beneficiaries of SAPARD, the result of the answers can be found in the table below.

Diagram of the answers of the beneficiaries of SAPARD regarding the deadweight effect of the Programme:

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<sup>48</sup> The capacity of co-financed investments to produce other investments, multiplier effect.



It emphasizes that this contribution was fundamental for the realisation of the projects SAPARD, that is why in the absence of the Programme more than 50% of the initiatives would have never been done. In this case, a subdivision of data for each measure highlights that the percentage of beneficiaries that would have done the investment anyway drops in case of companies beneficiaries of the Measure 1.1, more structured and larger sizes and capacities of recovery of market resources. On the other hand, the Programme covered a fundamental role for the Measures 2.1 and 3.5, where the majority of beneficiaries were public subjects, but also for the Measure 3.4 regarding the promotion of agricultural diversity, taking into account that there are no similar instruments for the promotion of creation of jobs in the rural area. As a result, the “deadweight effect” can be quantified 52%. In conclusion, it is noteworthy the effort to allow the Programme to maximize the effects through the synergy actions with other similar programmes, on one hand, and through the promotion of integrated initiatives of local development, on the other hand. The support regarding the creation, the access to services in the rural area represents for itself a dynamic that generates positive chain effects as was specified by a large number of the beneficiaries of the Programme. All the above mentioned indicators represent a more than positive framework of this initiative and an optimal capacity of stimulating private investments as support for the economic development of the rural areas.

## 7. CONCLUSIONS

In the following paragraphs are presented, in summary, some of the main aspects that resulted as conclusion of the activities of ex-post Evaluation of the Programme SAPARD.

More details and references can be found in the chapters of analysis already presented and especially in the answers to the Common Questionnaire of Evaluation presented at point 6 of this report.

### 7.1. Coherence between the implemented measures and the objectives pursued; balance between the different measures of the programme

The analysis of the levels of coherence refers mainly to the capacity of the Programme on one hand, of answering the objectives set in the programming stage, and on the other hand, the background situation as it developed during the years of implementation.

In this very respect, the Evaluator considers necessary to present a summary of the objectives defined in the programming stage and to compare them to the objectives defined in the National Strategic Plan in 2007, as it was reported in NRDP 2007-2013; the analysis of comparison of the following tables highlights the exceeding or not exceeding of certain needs by the implementation of the Programme SAPARD, underlining its coherence regarding the success or failure in exceeding certain limits from the background of reference.

Actually, beyond the strategic objectives already mentioned several times in this report, having the purpose to accompany the entrance of Romania in the Community system of management of agricultural and sector policies, the Programme, as it was defined in the document of implementation of 2000, was articulated in four priorities corresponding to four operational objectives to reach within the four axes in which the ten Measures were structured as follows:

Priorities of the Programme SAPARD	Axes	Measures
1. Improving the access to markets and of the competitiveness of agricultural processed products	1	1.1 1.2
2. Improving infrastructures for rural development and agriculture	2	2.1
3. Development of rural economy	3	3.1 3.2 3.3 3.4 3.5
4. Development of human resources	4	4.1 4.2

In order to reach the objectives stated above, the allotted resources (approximately 1,5 billion euro) seem to be significant, however, as it was already mentioned several times in the previous evaluation reports, they were not enough to cover the large number of the identified problems.

In order to be able to check the persistence of critical problems regarding the background and the capacity of the Programme to solve certain issues, the Evaluator remarked that it was useful to present in the table below the same operational priorities defined this time in 2007 in NRDP 2007-2013. In this table you can find an update of the background conditions and the definition of new challenges for rural development as they were identified in the National Strategic Plan.

Priorities NRDP 2007/2013	Axes
1. Facilitation of transformation and modernisation of the dual structure present in agriculture and in the forestry sector as well as in the agri-food industry to increase competitiveness, having in view their contribution to the increase of incomes in the rural environment, thus assuring thus living conditions and conditions of environmental protection for these areas.	1
2. Maintenance and improvement of the quality of the rural environment of Romania by promoting the sustainable management of agricultural and forestry lands.	2
3. Management and support of the passage of occupation from the rural environment, from the agricultural sector to other sectors that can guarantee proper economic conditions and different standards of living.	3 and 4

From the comparison between the priorities set in 2000 and those defined in 2007, it underlines the change in the context of the Romanian rural environment and especially the aspects on which the Programme SAPARD had the greatest effect.

One can say actually that the Programme SAPARD, concentrating the largest part of expenses, more than 50% on the rural infrastructures was definitely in accordance with the present objectives so as not to mitigate the delay in the development of rural infrastructures in Romania, preliminary condition that is based on the development dynamics, whatever it may be.

This aspect was therefore overcome, and in the new NRDP 2007-2013 still remains the problem of the dual production system: on one hand, the family subsistence enterprises, on the other hand, the industrialized agriculture that the Programme SAPARD did not want to approach because it did not define it as objective, but it will be the subject of analysis in the current programming cycle.

It results in exchange a new priority (Priority 2) which in general is related to the systems and models of sustainable agricultural production, allowing the sector to continue to offer its services both regarding food production and positive outsourcings such as those of maintenance of the territory and landscape.

Of course, the challenges of 2007 show a higher level of complexity compared to the grid of objectives of the Programme SAPARD, demanding today a support for a structural change in the production models and regarding the access to production factors, first of all, to lands.

That is why, the Programme SAPARD seems to have fully reached its purpose, identifying a series of clear objectives on which it focused resources and projects, thus obtaining more than positive effects and assuring that the dynamics of today's needs is oriented to other more stringent priorities.

## 7.2. Degree of achievement of the specific objectives of the Programme and of the objectives set out in the national and European Community strategy

Based on the Regulation 1268/1999, the pre-accession support given by the European Commission (EC) in the field of agriculture and rural development, in the period 2000-2006, had to focus on actions formulated in view of contributing to the achievement of the following general objectives:

I. Implementation of the *acquis communautaire* regarding the common agricultural policy, environmental protection and relevant policies in the field of regulations on the consumers' and food protection, public health, welfare and the health conditions of animals and plants.

Therefore, the Programme SAPARD supported initiatives and practices in view of implementing the provisions of the *acquis communautaire* regarding:

- Standards in the field of food, and agri-food products;
- Measures of control for the assurance of consumers' protection, public health and welfare of animals and plants;
- Environmental protection.

II. Commitments in the field of environmental protection, transposition in the national legislation and the implementation of the Directive "Nitrates"<sup>49</sup>, of the Programme "Natura 2000" and of the Directive "Evaluation of the Impact on the Environment (Appendices I and II)"<sup>50</sup>

III. Approach of priorities and specific problems for the sustainable adjustment of the agricultural sector and rural areas of Romania.

Considering the requirements of the European Commission for giving the support as well as the strengths, disparities, lags and opportunities, the short and long-term strategy proposed by NPARD had the following strategic objectives:

*Strategic objective 1. Sustainable development for a competitive agri-food sector by the modernisation and improvement of processing and marketing of agricultural and fishery products;*

*Strategic objective 2. Increase in the standard of living in the rural areas by improving and developing the necessary infrastructures and by the definition and implementation of good agricultural practices for agriculture and sustainable rural development;*

*Strategic objective 3. Development of rural economy by development and modernisation of plant assets for the private agricultural and forestry holdings, the development and diversification of economic activities for the purpose of maintaining and/or creating alternative/supplementary incomes and new jobs;*

<sup>49</sup> <http://ec.europa.eu/environment/water/water-nitrates/directiv.html>

<sup>50</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1985:175:0040:0048:EN:PDF>

*Strategic objective 4. Development of human resources by improving the professional training of farmers and owners of forestry lands and by the consolidation of the institutional capacity.*

*For all these strategic objectives we gave priority to investments that facilitated the implementation of the acquis communautaire.*

*In view of the fulfilment of the objectives of the European Commission and the national objectives for agriculture and rural development in the programming period 2000-2006, mentioned above, NPARD provided the implementation of the following priorities. For each priority, it detailed the specific objectives, the main indicators of accomplishment/result/impact as well as a short description of the degree of achievement of the targeted objectives.*

#### Priority 1: Improving the access to markets and of the competitiveness of agricultural processed products

- Specific objectives:

1.1 Orientating production according to the predictable trends of the markets or encouraging the development of new markets for agricultural products, especially for the processing and marketing of agricultural products processed on the basis of the environmental standards in force and, in certain cases, biological products (especially, biological agriculture);

1.2. Improving the quality of processed products and the quality control of food products by the observance of the minimum requirements regarding food hygiene according to EU standards;

1.3. Improving control of sanitary conditions

1.4. Creating and consolidating private companies in the fields of agri-food and fishery processing.

- SAPARD Programme Measures: 1.1, 1.2

According to Eurostat data, the added value of the products obtained in the food products and beverages industry of Romania increased in the period 2002-2007 from 19,9% to 22,1%, which shows that the investments made by the Programme SAPARD had a positive impact on the whole sector.

In more details, the investments supported by the measure 1.1 contributed to a large extent to the increase in the added value of the agricultural and fishery products by the improvement and rationalization of processing and marketing of products. Also, the projects funded by SAPARD contributed to the improvement of the quality of agricultural products processed and traded, but the data obtained from the beneficiary does not allow us to differentiate the products made on the beneficiary processing lines from those obtained on other processing lines by the beneficiaries of the measure. Moreover, the positive effect of the investments made in the Measure 1.1 on the health and welfare issues is proven by the results obtained from survey since for 61% of the beneficiaries questioned, the investments funded facilitated the alignment to EU sanitary veterinarian standards. The improvement of safety at work can also be seen in the background data: the number of persons injured at the workplace in companies with activity in agriculture, forestry, fishing and food industry dropped by 28% in the period 2003-2007 and by 15% in the years 2008-2009. Finally, the investments made in the Measure 1.1 had positive effects on the maintenance and creation of new jobs, contributing to the creation of 6.555 new jobs and to the maintenance of a number of 20.595 jobs representing in whole 9,74% of the total number of employees (278.837 employees) at the level of national economy in the following fields:

“Agriculture, hunting and related services”, “Forestry and forestry holding; Fishery and aquaculture”, “Food industry” and “Production of beverages” (NACE rev. 2) in 2009.<sup>51</sup>

Moreover, the Measure 1.2 contributed in a decisive way to the support of the “*Acquis communautaire*” in the field of the sanitary, veterinarian, vegetal control and the quality of food, without taking into consideration the external variables that could not be analysed. This judgment is supported by the largely positive values of all the indicators of the measure taken into account and by the results of the investigation on beneficiaries that show that in the absence of contribution only 15% of the beneficiaries would have made the investment anyway, proving the centrality and necessity of this initiative as it was defined in the programming.

#### Priority 2: Improving infrastructures for rural development and agriculture

##### - Specific objectives:

2.1 Improving the access of inhabitants and households from the rural areas to the ways of communication between the rural areas and to the national network of roads;

2.2 Improving hygiene and sanitary conditions in the households and productive activities according to the standards in force;

2.3 Increasing the capacity of protection of agricultural lands from floods, by the development of new dams and other specific systems and by the rehabilitation of the existing ones.

##### - SAPARD Programme Measures: 2.1

The development of infrastructures in the rural environment contributed in general to the improvement of several elements from rural life, including accessibility, economic development, the general standard of living, the stabilization of population and environmental protection, and over 92% of respondents to the investigation on the beneficiaries said that the funded investment implied an enhancement of the attractiveness of villages for citizens and companies. As for the contribution to the improvement of access of rural areas, the answers received from the beneficiaries allowed the estimate of an average reduction of the transport time 40% and a saving of 1,85 million hours/year.

Moreover, over 97% of the beneficiaries of the measure 2.1 that were interviewed stated that they noticed an improvement in the quality of life of the population inhabiting the respective area, and the motivation was often related to the improvement of the economic situation of the area, the increase in its accessibility and the general improvement of the hygiene and sanitary conditions of the population. So, in general, is possible to affirm that the supported investments contributed to a large extent to the improvement of the quality of life and of the hygiene and sanitary conditions of the beneficiary rural population.

It is also possible to note the relatively important impact that the infrastructural investments from the public sector had on the improvement of the environmental conditions, especially, in the perspective of the protection of soil. In this respect, the Evaluator notes the important contribution that the sewage infrastructure had on the quality of soil and the importance of infrastructural arrangements made for the prevention and protection from floods and investments dedicated to the conservation and consolidation of forestry resources for the sustainable use of the soil and the natural patrimony in general. All in all, the Evaluator estimated that 1,8% of the surface of Romania was directly or indirectly protected, including by arrangements of prevention/ protection from the floods funded by the Programme SAPARD.

<sup>51</sup>

Source: INS: TEMPO\_FOM104G\_6\_6\_2011

Priority 3: Development of rural economy

## - Specific objectives:

3.1 Reducing production costs;

3.2 Adjusting production to the market needs;

3.3 Ensuring the optimal use of the workforce available by encouraging the creation of new jobs;

3.4 Improving and diversifying production;

3.5 Improving quality;

3.6 Promoting diversification of economic activities;

3.7 Establishing common rules regarding the information on production, especially regarding the crops and distribution on the market, officially recognized in the applicant country;

3.8 Conserving the high natural value of the rural environment that is potentially threatened;

3.9 Protecting and improving forestry resources for a better valorisation of forests

## - SAPARD Programme Measures: 3.1, 3.2, 3.3, 3.4, 3.5

As for the objective of reduction of the production costs, the Evaluator could not estimate the degree in which it was achieved because of the lack of monitoring data and the difficulties encountered by the beneficiaries in the estimate of this element.

Moreover, because of the fact that the projects contracted in the Measure 3.2 were not completed, being transferred in NRDP, it did not contribute to the achievement of the specific objectives of Priority 3, and the indicators of the measure mentioned above could not be quantified. Also, because of the fact that a single project was funded, the Measure 3.3 did not have significant results / impact, and the indicators of the measure mentioned above are irrelevant. So, the degree of achievement of the specific objective 3.2, very connected to the implementation of these two measures is practically null.

As for the estimate of the jobs created/maintained, the most relevant contributions came from the implementation of the measures 3.1 and 3.4. In more details, these two measures contributed to the maintaining/creation of over 24.000 jobs: the investments funded in the Measure 3.1 led to the creation / maintenance of about 13.400 jobs and in the Measure 3.4 the creation/maintenance of about 11.000 jobs, especially in the tourism sector, while the other non-agricultural sectors (aquaculture, cultivation of mushrooms, etc) occupy 27% of the new jobs created. So, the Evaluator can affirm that the objective 3.3 was successfully achieved.

Although many of the indicators of the objective regarding the improvement and diversification of production were not available, we can still say that the interventions SAPARD contributed to a large extent to the achievement of this objective. In order to prove the validity of this statement we refer to the results of the investigation among the beneficiaries of the Measure 3.1, according to whom the investments made contributed to the increase of productivity of beneficiary holdings (66% of the beneficiaries evaluate positively that the modernisation of the production conditions and the management procedures privileged an increase of the production of the holding and 58% of the beneficiaries evaluate positively the fact that the investments made contributed to the decrease of the production losses).

As for the improvement of the quality of products, the interventions SAPARD contributed to a certain extent to this objective, considering that, based on survey on the beneficiaries of the Measure 3.1, 76% of them consider that the investment determined changes in the quality of products. However, the concept of quality in agricultural production, as it is defined in European Union, especially for the products PDO, PGI is still not well established in the context of national production. In 2011 a single Romanian product is included in the register of European Commission DOOR of agri-food products of quality of EU (<http://ec.europa.eu/agriculture/quality/door/list.html>), including the categories PDO (Protected Designation of Origin), TSG (Traditional Specialty Guaranteed), PGI (Protected Geographic Indication) and about 1000 products.

The diversification of rural economy by the creation of companies in non-agricultural sectors supported by the Programme SAPARD had very good results especially in the tourist sector with over 54% new initiatives supported in this sector. On the other hand, the measure had a limited impact on sectors such as fruit shrubs and aromatic plants, still called niche sectors, but with interesting economic gains, yet there was a limited demand from the beneficiaries in this respect, even if the few that started these initiatives confirm interesting expectations from the economic point of view (increase of income over 25% following the financing).

As for the specific objective regarding the determination of common rules regarding the information on production, especially regarding the crops and the distribution on the market, officially recognized in the applicant country, we refer to the answer regarding the improvement of the quality of products given above.

Finally, the specific objective regarding the protection of natural resources was achieved rather indirectly by the improvement of sewage infrastructures in the rural areas, by the works of protection from floods and by forestations. On the other hand, considering the Protocol signed by the Ministry of Environment and PARDF, all the measures of public or private investments implemented in SAPARD contributed one way or another, by the observance and integration of requirements related to environmental protection in the works/processes of production, to the conservation of natural resources from the rural environment, but it could not be exactly quantified because of the lack of necessary data (which was not collected by the monitoring system and could not be provided by the Beneficiaries).

As for the objective 3.9 regarding the conservation and valorisation of forestry resources, the Measure 3.5 contributed to the sustainable development of forestry resources of Romania, but because of the limited resources used, the overall impact of this measure was relatively limited, and the values of indicators showed it. However, the anticipated increase of the volume of forests thanks to the planting of new trees and the improvement of the existing forests resulted at a more than satisfying level.

#### Priority 4: Development of human resources

- Specific objectives:

4.1 Training of farmers for the qualitative reorientation of production, the diversification of economic activities, the application of production methods in accordance with the preservation and the improvement of landscape and environmental protection and the norms in the fields of hygiene and welfare of animals and for obtaining the level of professional qualification necessary for the management of a viable holding;

4.2 Ensuring that the Programme is known and understood both by the beneficiaries and the persons responsible for its implementation (selection, checking and monitoring);

4.3 Ensuring programme promotion

4.4 Ensuring the training of different authorities and bodies responsible for the implementation of the Programme;

4.5 Elaborating studies necessary for the implementation of the measures.

- SAPARD Programme Measures : 4.1, 4.

Because of the delay in the accreditation of the Measure 4.1 regarding professional training, the number of organised courses was below 20% of the number forecast and the number of participants did not even reach 7% of the scheduled number. However, the results of the measure were relatively good, the share of the youth that participated in the courses was almost 60% of the total number of participants and the share of women was 25% (target of over 30% for both indicators). The details of the number and types of participants in courses by types of training actions show that the largest share (67%) of young participants in courses was recorded in the training actions regarding the production practices followed by the training actions targeting the diversification or reconversion of different activities in the rural space where there were high shares of youth (56% of the total number of participants) and women (51%). Moreover, 80% of the courses held targeted priorities/ needs identified in the description of the background of the Sheet of Measure 4.1 contained in NPARD and reflected in the specific objective 4.1, which makes us conclude that it was fully achieved.

The technical assistance funded from the measure 4.2 did not support the beneficiaries in the preparation/ implementation of projects, this assistance was guaranteed by other organisations such as the National Agency of Agricultural Consultancy. In fact, TA supported a number of 372 civil servants from the national/ regional/ local authorities involved in the foundation and management of the programme, representing about 30% of the staff hired in 2007 in MA, PARDF and the local structures. The specific objectives 4.2 (ensuring that the Programme is known and understood both by the beneficiaries and the persons responsible for its implementation (selection, checking and monitoring) and 4.4 (Ensuring the training of different authorities and bodies responsible for the implementation of the Programme) were achieved.

The Evaluator concluded that the objective 4.3 (Ensuring programme promotion) was reached, and the TA initiatives contributed to a large extent to the assurance of the promotion of the Programme. In more details, the Evaluator estimated that about 23% of the occupied population in agriculture, forestry and hunting at the end of the year 2006 (about 2,5 million persons in the database NIS) was informed by the information campaigns organised by TA and which included the production and distribution of a relevant number of brochures, leaflets and other informative materials appropriate. The Evaluator also estimated that in total about 35% of the civil servants from the local public administrations in Romania were familiar with the EU norms and policy mechanisms in the fields of agriculture and rural development without taking into account the local public administrations that participated in other events organised by TA, such as national seminars.

In the end, the objective 4.5 (Elaborating necessary studies for the implementation of measures) was achieved, in AT 3 studies were conducted, necessary for the implementation of the measures SAPARD, respectively: database with prices of reference for goods, works and services purchased in the projects implemented by the Programme SAPARD; Substantiation of requirements for the content of training courses for adults in the Measure 4.1 SAPARD: Improvement of Professional

Training; Study for the Determination of the Areas of Potential, Geographical Areas and Unit Standard Gross Margins for the projects from the Measure 3.1 Investments in Agricultural Holdings from the Programme SAPARD.

### 7.3. Factors that contributed to the success or failure of intervention

In case of **Measure 1.1**, the factors that contributed to the success of the Programme were:

- Focus of support – in a balanced way – on types of investments that integrate in the major objectives of the measure, the improvement or the rationalization of the processing procedures (42,8% of funds) and new investments in capacities of processing, storage and marketing (42,5% of funds);
- The support of the large processing and storage units contributed to the exceeding of targets regarding the capacities of realisation involved and implicitly, to the creation of the scale economy in this sector;
- High correlation with other measures of the programme, especially with the measure 3.1;
- The effective involvement of consultancy companies in the process of information of potential beneficiaries and in the elaboration of applications for financing;

Factors that contributed to the reduction of the efficiency of the Programme regarding the Measure **1.1**:

- Inappropriate correlation of planned interventions with the existing needs, payments directed to sub measure “Meat, meat products and eggs” (52%), exceeding more than twice the share provided by the Programme SAPARD (23%), while certain measures did not reach their targets;
- It did not facilitate the access to financing for the companies or the groups of producers with small financial power, not reaching the targets regarding the number of projects in none of the sub measures;
- The insufficient involvement of the local authorities in the activities of promotion of the Programme
- The too long duration of the period between the submission of the applications for financing and the signing of contracts led to difficulties in the implementation of projects because of the changes occurred in this period both in the general economic context and at the level of beneficiary companies;

With reference to the **Measure 2.1**, the factors that contributed to the success of the Programme were:

- The appropriate correlation of interventions to the existing needs, which exceeded by far the expectations resulted from the programming document;
- The immediate operationalization of the measure, which contributed to the absorption of the available funds;
- Strategic value of the measure for local development, which stimulated the potential beneficiaries to submit projects and led to relevant results and impacts on the standard of living of the rural population interested in the funded interventions, including by the increase of accessibility of areas, by the improvement of the condition of environment and the hygiene and sanitary situation of localities

On the other hand, the factors that contributed to the reduction of the efficiency of the Programme regarding this measure include:

- Too long periods for obtaining the financing
- Too complex procedures (including the authorisations and approvals necessary from the competent bodies)
- Difficulties in the co-financing of interventions, due to the inexistence of pre-financing, which caused the indebtedness of the beneficiaries to banks
- The lack of financial motivation of the public staff involved in the implementation of the programme;
- The system of management of the too fragmented programme (for instance, the excessive number of intermediary organisations).

In case of **Measure 3.1**, the factors that contributed to the success of the Programme were:

- Quite high efficiency regarding the relations with the beneficiaries, most of them (68%) declared that they did not have difficulties in the course of the bureaucratic procedure of management of financing;
- The stringent need for the modernisation of agricultural holdings and their alignment to EU standards, which facilitated the absorption of funds 91% even in the case when the target regarding the number of funded projects was reached only 18%;
- High correlation with other measures of the Programme, especially with the measure 1.1;
- Effective involvement of consultancy companies in the process of information of potential beneficiaries and in the elaboration of applications for financing.

The factors that contributed to the reduction of the efficiency of the Programme regarding the **Measure 3.1**:

- Delayed start of implementation of the measure, which had as direct effect the impossibility of spending the whole amount provided
- The inappropriate correlation of planned interventions with the existing needs, payments directed to the sub measure "Field crops" (48%), exceeding 2,5 times the share provided by the Programme SAPARD (19%), while some measures did not reach their targets;
- Insufficient involvement of the local authorities in the activities of promotion of the Programme;
- The too long duration of the period between the submission of the applications for financing and the signing of the contracts led to difficulties in the implementation of the projects because of the changes that occurred in this period both in the general economic context and at the level of the beneficiary companies.

For the **Measure 3.2**, there were no special factors of success, but rather factors that limited the progress of the Measure, especially the complexity of the system and the difficulties of its application, also related to the lack of knowledge of producers about the opportunities that an offer group system can provide. The measure is currently active in the new NRDP 2007-2013 by the Measure 142 and so far 14 contracts were formalized.

For the **Measure 3.3** limited progress, if we can say so, owes to the start of implementation of NRDP 2007-2013 in 2007, which, by the measure 214, offered more profitable financings for the agri-environmental commitments undertaken and almost all the beneficiaries decided to give up SAPARD in favor of the new Programme. Even the limited action of sensitiveness made only in the pilot areas contributed to the limitation of adherence to the Measure 3.3 by other farmers. The agri-environmental commitments are a new awarding system for the farmers of Romania and require a comprehensive package of proper training/ information, as it is now happening in the Programme NRDP 2007-2013.

For the **Measure 3.4** the success of the initiative was certainly determined by:

- the involvement of beneficiaries and those coming from non-agricultural sectors, having another mentalities directed to the promotion of tourism and services in the rural areas;
- Concentration of the majority of resources in the sector of promotion of tourism, expanding sector both for the internal and the international demand;
- it also supported the promotion of agricultural production on a niche market (berries, honey, mushrooms, medicinal plants), but with a good capacity of generating attractive results in terms of added value;

However, the Measure 3.4 lacked an instrument for the networking of the initiatives made and as a consequence, an instrument of cross-cutting promotion of the tourist patrimony valorized;

The beneficiaries encountered the problem of excessive bureaucracy and the long waiting periods between the submission of application and the receipt of contribution.

For **Measure 3.5**

- the concentration of resources on forestry viability laid the bases for the appropriate maintenance of the forestry patrimony in Romania;
- the beneficiaries, most of them being public subjects (over 65%), showed interest in this type of financing which is essential for the management of forests;
- the Measure laid the bases for the adoption of the *Acquis communautaire* in the context of correlated and active initiatives in this programming stage NRDP 2007-2013 Measure 221 and 125;

For **Measure 4.1**, the factors that contributed to reaching positive results are:

- Success in the attraction of youth and women in the participation in courses;
- Facility in the involvement of the target group (for instance, thanks to the low number of training days provided);
- High quality of interventions, including thanks to the low number of course participants;
- Appropriate correlation between the existing needs and the funded interventions, thanks to the study that preceded the activation of this measure;
- High correlation with other measures of the Programme, which increased the general relevance and the "cross-cutting" nature of the measure in the field of professional training, creating a potential multiplying effect at the programme level;
- Complementarity with other similar initiatives funded from other sources.

On the other hand, the factors that contributed to the decrease of efficiency and the impact of measure 4.1 include:

- The late activation of the measure;
- The relatively low number of total participants, due to the low number of organised courses, which limited the impact on the universe of potential beneficiaries of the Programme, which could have benefited from such training.

For the **Measure 4.2**, the factors that contributed to the success of interventions are:

- Complementarity with other similar initiatives funded from other sources, for instance, both in the field of information and advertising and in the field of provision of technical assistance to the beneficiaries of the projects for the planning and implementation of interventions;
- Observance of EC requirements;

- Appropriate communication/ coordination with the final beneficiaries of assistance (for instance, the staff MA / PARDF in case of evaluation projects);

On the other hand, the following elements contributed to the reduction of the impact of the measure on the overall implementation of the Programme:

- Not using the submeasure regarding the convening of experts (which is the assistance provided by experts for the accompany of the staff AM and other management structures of the programme at the workplace for the management and monitoring of the Programme, in its whole).

In conclusion, we can say first of all that in general, the factors of success were more numerous than the factors of failure of the Programme for all the activated Measures.

In more details, among the factors of success of the Project we mention the following:

the high capacity of the interventions of creating synergies both in relation to other measures of the Programme (such as the interventions funded by the Measures 1.1 and 3.1, 2.1 and 4.1, tightly correlated between them), and with other interventions funded from other sources (such as the case of Measure 4.2 of technical assistance, tightly correlated with other complementary interventions funded by the Programme PHARE, completed at the promotion of the programme and at the provision of technical assistance);

Concentration of resources on the identified priorities and/or on the elements of added/strategic value (such as: the case of the whole Measure 2.1, of a general strategic value for the whole Programme / its objectives related to the balanced development of the rural territory; the case of funding of large companies in the Measure 1.1; the priority funding of interventions of modernisation of agricultural holdings in view of adherence to EU standards in the Measure 3.1; concentration of resources on strategic sectors such as the tourist sector in the Measure 3.4; or once again, the concentration on the infrastructural interventions of forest roads in the Measure 3.5, etc.);

The general important contribution of the Programme regarding the preparation of the private and public sector for making investments in accordance with EU standards/ acquis communautaire in the fields of agriculture and rural development, by the acquisition of experience and human and structural capacities necessary in the organisations.

On the other hand, among the factors that led to the limitation of the positive impact of the Programme, there are:

late activation of certain measures that could have had strategic value for the execution of the Programme and in general, for the preparation of the rural space of Romania for the context of EU agricultural and rural development policies (such as the late activation of the Measures 1.1, 3.1, 3.3 and 4.1);

Co-financing difficulties of potential beneficiaries both from the public and private sector;

Bureaucracy perceived as excessive by the beneficiaries and too long waiting times between the submission of the application for financing and the receipt of contribution.

#### 7.4. Efficiency, effectiveness, relevance and sustainability of the Programme

##### Efficiency

As for efficiency, this type of analysis is directly related to the results of the payments completed at 31/12/2009. As shown before, the Programme SAPARD Romania reached during the implementation of the initiative a capacity of expense of 88,6% (representing the ratio between the payments made and the resources allotted). This result, which is reasonable in terms of financial

expense involved the payment of an amount of 1,348 M€ by the Paying Agency compared to a total amount of 1,521 M€ allocated.

It is noteworthy that this capacity of expense is very distinctive between the ten Measures, a few interventions (Measures 1.1/2.1/3.1/4.1) had values over 90%.

### Effectiveness

In order to support the analysis of the effectiveness of the whole Programme SAPARD during its implementation, the Evaluator took into account the evolution of indicators of achievement and result compared to the target value identified, as shown in the table below:

	Indicators of Output			Indicators of Result		
	Targets reached	Targets unreached	Non quantifiables	Targets reached	Targets unreached	Non quantifiables
Measure 1.1		10		2	2	3
Measure 1.2	3			3		
Measure 2.1	9	4	14		1	2
Measure 3.1		3			3	8
Measure 3.4		2		5	2	3
Measure 3.5		2			6	
Measure 4.1		4		1	2	
Measure 4.2			7			
<b>Total</b>	<b>12</b>	<b>25</b>	<b>21</b>	<b>11</b>	<b>16</b>	<b>16</b>

*Elaborated by Evaluator*

The table is only a summary which provides an overview of the whole Programme concerning the degree of achievement of the target values identified, as provided in the analysis ex ante. As mentioned before, in general, the target values were overestimated for all the indicators. This is especially obvious for the indicators of achievement and result. For this reason, not all the indicators that did not reach the target value signal an insufficient achievement in quantitative terms: a few of them show only the inconsistency between targets and results.

The fact that 36% of indicators cannot be quantified represents a very large limitation concerning the realisation of an accurate evaluation, but considering that it is the first time when the Managing Authority had to deal with such initiatives, this situation is acceptable because the basic data was available and there is the capacity of improving the monitoring system.

Summing up, in the Evaluator's opinion, from the table above the conclusion focuses on two main aspects:

- 1) Regarding the Result **indicators**, a **total number of 21** cannot be quantified and only 12 reached the target value provided, we noticed a good level of effectiveness, especially regarding the Measures 1.2 and 2.1.
- 2) Regarding the Result **indicators**, 16 indicators cannot be quantified and 11 reached the target value, especially for the Measures 3.4, 1.2 and 1.1.

Therefore, we can present a judgment in terms of effectiveness of the Programme SAPARD, and the table above suggests that the Programme did not reach the identified objectives, yet we must emphasize that the overestimate of the target values has already affected this analysis. The impossibility of quantifying about 36% of the total number of indicators (for various reasons which are detailed in the answers to the common evaluation questions) increased the limitations of this evaluation.

Finally, it is noteworthy the positive evolution of the **deadweight effect**, which was quantified by direct investigations made. Only 30% of the final beneficiaries would have been able to carry out the same initiatives without financing and only 50% of the projects would have been accomplished without the support of SAPARD. This data confirms the fact that the Programme was able to interact with the demand for this type of support, especially in the underprivileged areas, having a low capacity of providing other opportunities of development.

## Relevance

As for the relevance of the Programme, the Evaluator highlights the priorities identified in the strategic objectives defined. The Programme SAPARD had an important role in:

- the adoption of the *Acquis communautaire*, the implementation of the ten Measures had an obvious positive impact in these years. It is especially important to note the adoption by the Romanian Government of all the legislative aspects that are relevant for the Common Agricultural Policy and the adoption of the specific legislation regarding the directive of nitrates, the good agricultural practices, the cross-cutting compliance, etc. This also shows that as far as management is concerned, SAPARD contributed to the creation of the institutional framework necessary for the implementation of a complex system of instruments for supporting the sector in general, by the creation of a dedicated administrative context (such as the Paying Agency). Finally, the support given by Measure 1.2, which increased the efficiency and the capacity of the national network of plant health control and food quality, guaranteed the existence of a system of laboratories at national level in charge with monitoring the condition of quality of food and the prevention of all the types of diseases or pandemic phenomena in animals. As for the final beneficiaries, it is noteworthy that because of the limited commitment of the potential beneficiaries (only 4.500 projects were implemented), the direct capacity of influencing the public was limited. However, the information campaigns promoted by the Measure 4.2 targeted 11% of the rural inhabitants in relation to aspects regarding: the rural development policy, the access to structural funds and the improvement of agricultural competitiveness.

- As for the sustainable development of rural areas, the contribution SAPARD was relevant. The majority of 4.500 projects funded by SAPARD implemented in the rural areas of Romania contributed to the improvement of the sustainable development of these areas such as:

1. The infrastructural system of the rural areas and forestry lands; by the creation/rehabilitation of over 3.500 km of roads, which guaranteed the minimum access to these areas; moreover, the support for the creation/rehabilitation of 10.000 infrastructural jobs of tourist reception representing 50% of the total number of places in beds available in the rural areas represented a relevant increase regarding the increase in the supply of services.
2. The maintenance of active population and youth was promoted by SAPARD. Indeed, 45% of the final beneficiaries of the Programme (for the measures 3.1 and 3.4), are below 44 years old compared to the farmers of whom only 15% are below 44 years old.
3. The support of entrepreneurship. Indeed, as direct interviews with the final beneficiaries showed, over 1.000 of the enterprises supported represent new initiatives, which highlights the importance of the Programme for the promotion of creation of new enterprises and the provision of vital economic activities in the rural areas.
4. The support for the occupation of the workforce was highlighted by direct investigations, the Programme itself supported the creation/maintenance of about 68.000 FTE<sup>52</sup>, in various sectors: agri-food industry, tourism / services, constructions, agriculture and forestry.
5. For 64% of the final beneficiaries of the Measures promoting the investments (1.1/3.1/3.4) the financing by SAPARD generated a direct impact on the incomes; the estimated increase of incomes after the completion of the investment is about 33%.

<sup>52</sup>

Full Time Employment

6. Finally, with reference to the environmental protection issues, we must mention two main aspects:
- The Measures of the Programme SAPARD did not have negative effects on the environment, but, on the contrary, contributed to the protection of the environment following the conclusion at 24.03.2006 of a Protocol between the Ministry of Environment, through the National Agency for Environmental Protection, and the Paying Agency for Rural Development and Fishing, according to which the beneficiaries of SAPARD had to comply with the EU environmental standards and regulations before the presentation of a proposal of project in SAPARD, and the completion of the project.
  - Secondly, the implementation of the measures 3.3 (agri-environmental actions) and 3.5 (interventions for the support of forests) had a direct, positive impact on the environment for the purpose of valorisation and improvement of natural resources, even if the resources allotted were quite limited.

### **Sustainability**

Finally, as far as it concerns the sustainability of the implemented initiatives for the evaluation of this criterion, the Evaluator had in view the capacity of various projects to guarantee their long-term effects, which means that two years after the completion of the investments they continue to guarantee their impact on the context. In general, the Evaluator can say that the evaluation activity ex post took into consideration the projects completed during the last two years of implementation, considering that all the projects were paid before 31/12/2009. Therefore, 98% of the final beneficiaries confirmed the positive effect of the funded projects, and none of them declared that the activity was no longer carried out. Finally, it is noteworthy that about 60% of the amounts paid were directed to the financing of infrastructures in the rural areas, representing long-term investments.

### **7.5. Conclusions regarding the impact of the Programme**

The implementation of the Programme had significant effects for all the relevant indicators used for the evaluation of the results and the impact. These effects include:

- ✓ A direct contribution to the economic growth of the beneficiaries supported (the average increase of incomes is estimated at 33%, after the financing of the project) especially in the sectors of agri-food processing, in accordance with the average rates of economic growth recorded at the level of the national economy of Romania;
- ✓ The creation and maintenance of a relevant number of full-time jobs (about 68.000) in primary production and processing industry, which was a major contribution of the Programme SAPARD, considering the negative effects on the occupation owed to the global economic crisis starting from 2008
- ✓ Improved competitiveness and productivity according to EU standards regarding the quality and safety of the product, environmental protection, work conditions and welfare of animals.
- ✓ The improvement of standards of living in the rural areas by investments in rural infrastructure and by the creation of alternative opportunities of incomes.

## **8. APPENDIXES**

- 8.1 APPENDIX 1. Final Report Summary – Activity 4.6**
- 8.2 APPENDIX 2. Measure Fiches**
- 8.3 APPENDIX 3. Criteria and Indicators for each evaluation question**
- 8.4 APPENDIX 4. Questionnaire for direct interviews**
- 8.5 APPENDIX 5. Questionnaire for MA / PARDF employees**
- 8.6 APPENDIX 6. Case studies**