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## **PROVIDE**

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**REPORT ON THE COMPARATIVE ANALYSIS OF MECHANISMS AT THE REGIONAL LEVEL  
[ROMÂNIA]**

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# 1 Introduction

This document template is a suggested format for reporting back the results from the fourth regional case study workshop held in the Dorna Valley Region





The fourth Workshop of the Provide Project held in Iași, on 9 of March 2018 from 2 pm to 5 pm. The workshop was attended by specialists in agrarian sectors, who have also participated in other interviews and workshops of the Provide project.

The workshop was held at the YXS Romest Iași Company, 2nd floor, no. 20 – 22 Elena Doamna Street, Iași and participated 5 stakeholders and two facilitators (from project team):

## 2 Discussion of the modelling results

**Aim:** *The aim of activity 1 is to present and discuss the results of the modelling work carried out under task 5.3.*

**Expected outcome:** *To have a better understanding of the modelling results, what potential issues as well as main messages and policy-relevance stakeholders see.*

*The stakeholders considered that the results of the modelling exercise that were presented are feasible and adequate for the mix of policies necessary in order to encourage the provision of the intended public goods. Some questions existed with regard to the classification of farms in the three size categories (small – under 10 ha, medium – between 10 and 20 ha, large – over 20 ha). This was justified by the fact that this classification is a result of an analysis of the number and structure of the farms in the Dorna Valley (Romanian CSR Hotspot).*

*The majority of the stakeholders considered that the results of the model can be generated in practice, as the farmers are strongly influenced by the AES agro-environmental scheme and the level of education/information and consultancy received. With regard the response of the farmers in the studied region, the stakeholders believe that they have a high level of conservativeness due to the advanced age of many of them. This makes it very difficult to produce a decision that involves changing the agricultural practices used.*

*In addition, it is considered that, within the studied region, a large portion of the pastures and meadows that exist are natural, meaning that the restrictions would involve the use of machinery and equipment and would require the use of natural fertilizers.*

*Furthermore, the restriction regarding the number of animals in a farm is mainly determined by the subsidy per animal capita, but also depends on the possibilities of farmers to capitalize on their production more effectively.*

*From the perspective of benefits resulting in the model, especially non-monetary benefits related to the existence of public goods, the stakeholders believe that the benefits from self-consumption and self-management of the family farm need to be taken into consideration, especially in small farms. The workshop facilitators specified that these benefits were included in the evaluation of public goods, particularly within the natural landscape value and rural vitality.*

### 3 SWOT analysis

**Aim of activity:** *The aim of this activity is to identify the strengths, weaknesses, opportunities/enabling factors, and threats/barriers associated with the package of governance mechanisms previously identified for the case study and to select the most important ones in each category.*

**Expected outcome:** *This activity will help us to gain a better understanding of the factors which are likely to influence the uptake and performance of the governance mechanisms in the case study area and will provide the starting point for the multi-criteria analysis.*

The most important SWOT factors were identified through individual voting. The participants filled in the cards with the main 3 factors considered. A heterogeneous approach was used, with the factors being grouped in different categories and fine-tuned and combined in order to identify the most important ones.

During the “problem” statement, the facilitators recommended that the participants consider the particularities of the analysed region (the North-East Region of Romania and the Dorna Valley). The workshop participants presented the chosen factors and provided arguments for their choices. Among the identified factors were the farmer characteristics (age, experience), but also specific traits of the Region (bureaucracy, level of information and natural conditions). These were considered to have a defining role for the current status and the outlook for implementing the public goods provision policies in the North-East Region. Experience in the field is considered a factor that influences the effects of other factors as well: the more practical experience the farmer has, the more profitable their activity is. This means that the farmer has more resources available in order to become more actively involved in the problems of the community.

The three important factors on which the workshop participants agreed were the barriers are: the trends for the evolution of the human resources in the studied region (population aging), the process of irreversible climate degradation at a global level (climate change), and an increase in the level of intervention and control on the free market leading to cumbersome, costly and discouraging procedures (increased level of bureaucracy).

By including the aesthetic and ecological quality of the environment, as well as those referring to the quality of the consumed products among the basic needs of the individuals, important public goods provision opportunities arise at the level of rural areas. In this case, the impact of the governance mechanism package involving AES, forestation and information/promotion of the existence of public goods at the rural level will be more efficient.

Increased demand of ecological products is negatively correlated with an increase in the level of bureaucracy. This generates high costs related to the certification of the products. On the other hand, the agricultural policies are positively correlated with climate change – as this phenomenon becomes more ‘visible’ and certain, governmental authorities will take more and more ‘interventionist’ measures in order to prevent the irreversible change in human living and working conditions. At the same time, the policies are positively correlated with the aging of the population, as a series of specific measures involves support for the settlement of young families in rural areas, leading to rural revitalization. Experience in the field is positively correlated with most factors in the weaknesses category.

There are some factors that act independently from all the other influences, such as the natural landscape and all of its components. These are not correlated with any of the other threats.

From the interviews performed in the region, we conclude that most farmers are fundamentally motivated by the possibility that their children will continue working in the field. However, at present, the phenomenon of population aging is observed in the rural area, determined foremost by demographic decline and economically motivated migration towards more developed urban areas. An increase in the farmer incomes, combined with an improvement in economic, social and cultural infrastructure in the rural areas can play a significant role in stopping the process of population aging.

Climate change is directly correlated with the global actions of mankind, thus, as awareness increases and pollution mitigation measures are adopted, the effects of climate change on the public good provision mechanisms will diminish. Similarly, by simplifying the AES procedures, an extended adoption of these measures would be possible, leading to an increased efficiency in the public goods provision process.

Table 1. Factors identified in the SWOT analysis for the package of governance mechanisms.

	Factor - Cluster	Importance (tick the three most important factors in each category, or indicate the numbers of participants who thought that a particular factor was amongst the most important ones)
Strengths	<b>Experience – Farmer characteristics</b>	4 participants
	<b>Profitability – Economic factors</b>	3 participants
	<b>The degree of attachment – Farmer characteristics</b>	2 participants
	Landscape	
	Other Policies - The role of state	
	Evolution of the market, Awareness, Moral obligations	
Weaknesses	<b>The age of the farmers – Farmer Characteristics</b>	4 participants
	<b>Awareness and information – Advice</b>	3 participants
	<b>Level of habit – Farmer characteristics</b>	3 participants
	Tough legislation	
	Costs	
	Farmers education	
Opportunities/enabling factors	<b>Agrarian Policy</b>	3 participants
	<b>Natural conditions</b>	2 participants
	<b>Increasing demand for bio products - Market</b>	2 participants
	Information, Awareness	
	Experience	
Threats/barriers	<b>Age of farmers – Farmer characteristics</b>	3 participants
	<b>Climate change – Natural Conditions</b>	2 participants
	<b>Bureaucracy</b>	2 participants
	Big costs	
	Cultural pressure	
	High degree of novelty	

#### **4 Evaluation of the SWOT factors & previously identified indicators**

The method used in the workshop was the Multiple Criteria Decision Support (MCDS) method connected with a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. From the expressed opinions of the participants we collected the main Strengths, Weaknesses, Opportunities and Threats for which they individually established the importance of each criterion (with grades from 0 to 10) and the score of governance mix against these criteria (also with scores between 0 and 10).

The implementation of the method was made as group exercise, each one of the participants giving a grade for each criterion or indicator. (Table 2)

The importance score of each factor and the reasons for the perceived performance of the governance package are presented in Tabel 2.

**Table 2. The multi-criteria decision making exercise**

Name:				
	Criteria	Importance of criteria (e.g. 0-100)	Scoring of governance mix 1 against the criteria (e.g. 0-100)	Reasons for importance and performance
Strengths	S1 Experience	9	9	Better understanding of the domain Propensity to novelty Better awareness of the benefits related to natural practices The experience guarantees good results in the future
	S2 Profitability	8	9	The entrepreneur bases his decisions on profit The farmers have price advantages by the product quality
	S3 The degree of attachment	6	7	High level of social cohesion Carry out of economic activities also for local communities Higher attachment involves more natural practices
Weaknesses	W1 The age of the farmers	8	8	Aging population Low openness to other practices Depopulated villages
	W2 Awareness and informations	9	9	Poor information for the farmers, low number of information sources.
	W3 Level of habit related to farm practicess	9	9	A certain level of conservatism / inertia in the used practices exists. Farmers have a sense of stability, regarding novelty as a source of risk. Aging of the rural population makes it more sceptical to adopting new practices.
Opportunities/ enabling factors	O1 Politicile agricole	9	10	The farmer is sensitive to the stimulation methods, especially financial ones.
	O2 Natural conditions	8	8	Rural activities that leverage nature and landscape are considered. Natural conditions are correlated with agricultural practices and the level of familiarity with these.
	O3 Increasing demand for bio products	9	9	Increased pressure is felt from the market in stimulating the supply of ecological products. The population prefers a healthier diet in order to prolong lifespan and improve quality of life.
Threats/ Barriers	T1 Age of farmers(aging)	9	9	Aging is a reality of the rural areas in Romania and a trend for the new type of economy that leads to a depopulation of rural zones in favour of professions in the area of information technologies available in urban zones.
	T2 Climate change	8	9	Climate change leads to change in agricultural practices. Agricultural output and efficiency is decreased. Climate change reduces the possibility to combat disease and pests through ecological means.
	T3 Bureaucracy	8	8	Generally, regulations imposed through policies increase bureaucracy in the system.

				Farmers are reluctant or unwilling to fill out documents and forms. Bureaucracy makes it more difficult to shift farmers towards ecological practices.
Desirable characteristics/ indicators	I1: Targeted to the topic	9	9	The governance package is focused on improving the production and provision of public goods.
	I2: Low Ancillary costs	8	6	Generally, a resource reallocation measure has high costs.
	I3: Ancillary benefits	8	7	Economic benefits are not significant.
	I4: Measurability	10	10	The policy measure package is measurable.
	I5: Effectiveness	9	9	Financial efficiency is decreased and economic efficiency is increased with maximum effects in the community.
	I6: Acceptance	7	7	A certain inertia among farmers exists, meaning that, as some farmers begin to access the measures of the governance mechanism, this will be adopted by other farmers as well.

1. TABLE 2: SCORING SHEET FOR MCA OF SWOT FACTORS AND INDICATORS

		<b>Governance mix for landscape and rural vitality improvements:</b> agri-environmental scheme, afforestation payments, information, education and consultancy services, eco-labeling		
	<b>Criteria</b>		Importance of criteria (e.g. each factor assigned a value between 0 (not important) and 10 (extremely important))	Scoring of governance mix 1 against the criteria (e.g. each factor assigned a value between 0 (governance mix does not have this characteristic) and 10 (governance mix has this characteristic to a very high degree))
<b>Strengths</b>	S1 Experience	+	9	9
	S2 Profitability	+	8	9
	S3 The degree of attachment	+	6	7
<b>Weaknesses</b>	W1 The age of the farmers	-	8	8
	W2 Awareness and informations	-	9	9
	W3 Level of habit related to farm practicess	-	9	9
<b>Opportunitie s/ enabling factors</b>	O1 Politicile agricole	+	9	10
	O2 Natural conditions	+	8	8
	O3 Increasing demand for bio products	+	9	9
<b>Threats/ Barriers</b>	T1 Age of farmers(aging)	-	9	9
	T2 Climate change	-	8	9
	T3 Bureaucracy	-	8	8
<b>Desirable characteristics/ indicators</b>	I1: Targeted to the topic	+	9	9
	I2: Low Ancillary costs	+	8	6
	I3: Ancillary benefits	+	8	7
	I4: Measurability	+	10	10
	I5: Effectiveness	+	9	9
	I6: Acceptance	+	7	7
<b>Total</b>				21,7 (out of a maximum possible score of 120 if all positive factors=10 and all negative factors =0)