



## ASSESSING SYNERGIES IN THE SLOVAK RDP 2014-2020

FACTSHEET OF THE EUROPEAN EVALUATION HELPPDESK FOR RURAL DEVELOPMENT - DECEMBER 2019



### MAKING MEASURES WORK TOGETHER

In the programming period 2014-2020, focus has shifted to making sure that interventions are programmed in a way that supports the highest possible outputs with the most efficient spending in order to face ever-increasing competitive pressures from global markets and maximise the impacts and efficiency of public spending. Synergies between interventions is an essential part of achieving this goal.

In rural development policy, synergies are understood as positive horizontal transverse effects which occur due to positive interactions between various focus areas and rural development priorities. Apart from synergies, focus areas and priorities can also affect each other in a negative way and cause negative transverse effects, weakening the effects of one focus area due to the interventions under the other focus areas. Starting from the RDP specific composition of measures/sub-measures under each focus area and comparing it with all the other focus areas. These comparisons will allow one to judge the extent to which pursuing a specific intervention logic affected the final achievements towards objectives, effectiveness and efficiency of the RDP and its results and impacts.

Rural development programme synergies are assessed through answering the common evaluation question (CEQ) 19, 'to what extent have synergies among priorities and focus areas enhanced the effectiveness of the RDP?'

In the AIR submitted in 2017 preliminary qualitative assessments of synergies between focus areas and rural development priorities were submitted by Member States. In the AIR submitted in 2019 these assessments have become increasingly more in depth with some Member States using both qualitative and quantitative approaches as better data has become available and uptake has increased in the programmes.



### WHEN 1 + 1 > 2

Programme synergies are linked to the entire RDP intervention logic and to primary and secondary contributions of RDP operations to rural development focus areas, which can create synergies or transverse effects between them and consequently also between rural development priorities.



### FURTHER INFORMATION

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For additional information on the Evaluation:

<http://www.mpsr.sk/index.php?navID=47&slD=43&navID2=1192>



Therefore, effectively answering the CEQ 19 in a sound and robust way can be methodologically challenging since in order to achieve this goal one must first quantify all common and additional indicators used to observe the programme results taking into consideration both the primary and secondary contributions.

There are several options how to proceed in the assessment of programme synergies:

- The evaluator can do only a qualitative assessment if quantitative data is not available,
- The evaluator can conduct a quantitative assessment of values of result indicators,

- Or for the most robust results, the evaluator can use a quantitative assessment and triangulate findings using qualitative methods such as theory of change, panels of experts, pairwise comparisons, case studies, etc.

This factsheet focuses on the assessment of synergies in the Slovak RDP 2014-2020.

### Assessing Synergies in the Slovak RDP

In the case of Slovakia, evaluators have chosen the last option and assessed synergies using both quantitative and qualitative methods to achieve the most robust results.

The intervention logic of the Slovakian RDP 2014-2020 programme has been programmed in a way to attempt to create synergies between supported operations between the objectives of the various focus areas (FAs) and objectives of the priorities. The evaluators have assessed these synergies through looking at the secondary contributions by means of common and additional indicators to supported operations under each individual focus area to confirm their existence or to see if negative transverse effects had occurred between these supported operations in relation to the objectives of each FA.

#### Working Steps:

1. Identification of potential synergies
2. Data processing
3. Calculation of secondary contributions – net effects
4. Verification and conclusions

First, the evaluators identified potential synergies through the review of supported projects and Paying Agency monitoring data where supported holdings are obliged to identify all secondary contributions. This allowed the evaluators to have an initial understanding of the overall intervention logic of the Slovak RDP in order to see in what areas objectives of the FAs may overlap with the objectives of RDP priorities.

Second, evaluators used national databases on agricultural holdings (IL MPSR) and food possessors (POTRAV) both of which are owned by the Slovak Ministry of Agriculture and Rural Development. Much of the data needed for assessing synergies had already been collected and processed in order to assess the primary contributions for the AIR submitted in 2019.

Third, for the quantitative assessment evaluators looked at how operations programmed under each FA contributed additionally to the value of indicators (common/additional) related to other FAs and compared these findings between FAs. The comparisons served to allow the evaluators to understand the interactions between FAs and their programmed measures. In the case of Slovakia where data is available for both supported and unsupported farms, a counterfactual approach using PSM DiD was possible in order to calculate these secondary contributions.

Evaluators used the data from the assessment of primary contributions plus additional data to calculate the secondary contributions or net effects of each measure contributing to each FA. These calculations

were used to measure the synergistic contributions to each other FA. Evaluators observed if there was a high contribution to the indicators' value then they could conclude that a strong synergy between FAs was achieved and if there was a low or minus contribution then it indicated no effect or even negative transverse effects.

Lastly, evaluators were able to check these results using qualitative methods and Paying Agency monitoring data to verify and triangulate the results. Evaluators then followed up these calculations with explanatory text describing the potential reasons for the various positive, negative or neutral effects of the interactions between FAs.



### Results of the Assessment of Synergies

Through the quantification of secondary contributions and the use of the PSM DiD method, evaluators in Slovakia found the following synergies.

The supported operations from measures 4.2, 10, 11, 12, 13, 14, which were programmed under FA 3A, FA 4A, FA 4B, FA 4C, have created synergistic contributions to FA 2A over a 5-year period. Some of these contributions can be seen through:

- Strengthening the competitiveness of supported farms through increasing labour productivity from agricultural production with a synergic contribution increasing by €5378 per AWU.
- An increase in agricultural production by €446 million.
- Enhancing the economic performance of supported enterprises<sup>1</sup> through improvement of pre-tax profit (increasing by €19621 per enterprise), gross value-added increases (€22932 per enterprise and €122 million per group of enterprises<sup>2</sup>) and improving profitability and total profitability capital.
- Maintaining a total of 7296 jobs through supported enterprises.

The supported operations from M4.1 programmed under FA 2A, have created synergistic contributions to FA 3A over a 5-year period. Some of these contributions can be seen through:

- Strengthening the competitiveness of supported farms through an increase of agricultural production in supported farms by €89.9 million.

- Strengthening the economic performance of supported enterprises by increasing gross value added by €172687 per enterprise and €34.7 million per group of enterprises, as well as, an increase in the share of gross investment in fixed assets in agricultural output.
- Strengthening the market share of assisted businesses by increasing the share of sales revenue in goods in total revenues.
- Maintaining a total of 1260 jobs through assisted enterprises.

The supported operations from measures 4.2, 10, 11, 12, 13, 14, which were programmed under FA 3A, FA 4A, FA 4B, FA 4C, have created synergistic contributions to FA 6A. Some of these contributions can be seen through:

- An increase in employment of 502 workers (new jobs created).
- Maintaining a total of 7296 supported jobs.

The supported operations under FA 2C+, FA 4A, FA 4B, FA 4C, FA 6A have created synergistic contributions to FA 6B through:

- Contributions to the improvement of local infrastructure in rural areas through reconstructed and newly built roads in forests and the development of tourism in rural areas. Furthermore, realised projects will serve to increase the competitiveness of the territory for the development of tourism.

This assessment also found various negative transverse effects among FAs including a reduction of the share of gross investment in fixed assets in agricultural output and a reduction of the return on equity. However, in this case supported enterprises under Priority 4 did not receive investment support from measure 4.1 and therefore, the share of gross investment in fixed assets in agricultural output was lower and also reduced the return on equity.

Assessing synergetic effects between FA 2A and FA 3A, FA 4A, 4B, 4C have helped the Managing Authority better understand relations between supported interventions across the rural development programme. The Slovak Managing Authority has planned to use this information for programming in the future, specifically to strengthen area-based interventions.



## LESSONS LEARNT AND RECOMMENDATIONS

### MAJOR CHALLENGES:

- Missing data on municipalities at LAU 2 (formerly NUTS level 5) to build a robust control group
- Use of quantitative methods for the calculation of synergies
- Time constraints

### SOLUTIONS TAKEN:

- Preparations to quantify synergies at the beginning of the programme is essential, especially if robust database are not available
- It is essential to have skilled experts (database experts and PSM DiD experts) and it may even be the case that new experts will need to be trained if needed in order to effectively use the most robust methodologies
- Since the assessment of synergies and answering CEQ 19 relies heavily on the quantification of primary and secondary contributions it is essential that sufficient time and resources are allocated to making sure these primary and secondary contributions are quantified effectively before the evaluator can begin to use advanced methods to assess the synergies.



Send your questions to:

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<sup>1</sup> Agricultural companies and individual farmers with a total farm size of roughly 1000 ha per holding.

<sup>2</sup> Agricultural companies with more than 1000 ha/farm.

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The Evaluation Helpdesk works under the supervision of Unit C.4 (Monitoring and Evaluation) of the European Commission's Directorate-General for Agriculture and Rural Development.

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