



Mid-term review of the South-West Oltenia Regional Programme 2021–2027

Context of the evaluation

The Mid-Term Evaluation Report (MTR) for the South-West Oltenia Regional Programme 2021–2027 provides an overview of the progress made by the programme as of 31st of December 2024, with a focus on evaluating the programme's contribution to national priorities in the fields of energy and climate change (NECP), the implementation of the European Pillar of Social Rights (ESPR), the reduction of regional socio-economic disparities, addressing specific country recommendations, and progress in achieving milestone objectives, in accordance with the obligations set out in EU Regulation 2021/1060¹.

The primary goal of the mid-term evaluation is to analyze the programmed and implemented actions within the programme, from the perspective of coherence, relevance, and effectiveness, while examining, among other aspects, the need to make modifications to the programme to address new challenges identified since the beginning of the programming period.

How does the South-West Oltenia Regional Programme 2021–2027 contribute to the development of the region?

The South-West Oltenia Regional Programme 2021-2027 supports the transformation of the region through strategic investments in innovation, digitalization, infrastructure, urban mobility, education, tourism and urban regeneration, through the 8 priorities defined within the programme.

From the interim analysis conducted within the South-West Oltenia Regional Programme 2021–2027, **significant progress is observed in its implementation, particularly in terms of launching calls for proposals and contracting**, although some challenges persist regarding the lower interest shown by certain potential beneficiaries.

¹ Regulation (EU) 2021/1060 laying down common provisions for the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund, and the European Maritime, Fisheries and Aquaculture Fund, as well as financial rules applicable to these funds and to the Asylum, Migration and Integration Fund, the Internal Security Fund, and the Instrument for Financial Support for Border Management and Visa Policy



The evaluation shows that the performance of the South-West Oltenia Regional Programme in selecting operations is better than the average of programmes in other less developed regions in Romania and in all EU Member States. However, this performance has not yet produced tangible consequences on the performance of spending. Only in the case of RSO 2.1 (energy efficiency), the performance of the South-West Oltenia Regional Programme in terms of resources spent is similar to that of regional programmes in less developed regions in Romania, but below the performance of programmes in less developed regions in the EU.

The main achievements, achieved across the entire programme:

Calls for proposals: 36 (including calls for territorial strategies) calls for proposals were launched across the entire programme, representing over 1 billion Euros or 80% of the total financial allocation of the programme.

Contracting: the non-reimbursable value (ERDF+SB) of contracts signed by 31.12.2024 is EUR 751 million, which corresponds to a percentage of over 60% of the total budget allocated to the programme.

Payments made: payments worth EUR 37.8 million were made, (ERDF+SB) representing only 5.04% of the non-reimbursable value of the contracted projects.

Total expenditures authorized by the MA of SW Oltenia RP:
23,572,045.57 EURO.

Among the **factors that facilitate the implementation of the Programme** are: the proper planning of the project call schedule, which led to an advanced stage in the launch of project calls; despite delays caused by legislative changes, the processes of submission, evaluation, and contracting of projects are progressing at a favorable pace; the experience of beneficiaries from implementing similar projects in the past; the strong communication and collaboration between beneficiaries and the Managing Authority; the exchange of experience, support, and expertise provided by the World Bank/MIEP, which play a crucial role in guiding programme activities, especially during this programming period when Regional Development Agencies have become Managing Authorities; the use of simplified cost options within the programme.



On the other hand, the **factors that have created difficulties or delays in the implementation of the projects/Programme** are: legislative changes and their impact on the timeline of project calls; challenges related to the time required to obtain technical approvals and permits, which represent a significant obstacle, prolonging the phases preceding project implementation; the complexity of public procurement procedures, which creates difficulties for beneficiaries, especially in cases where appeals are submitted and there is a delay in selecting contractors, leading to project implementation delays; difficulties in monitoring and reporting certain indicators by the beneficiaries; challenges related to the use of the MySMIS 2021 platform.

Among the factors that could hinder the achievement of project objectives or final indicator targets are: the limited administrative capacity of beneficiaries (especially in the case of new beneficiaries without previous experience in implementing projects funded through ROP); the simultaneous implementation of multiple projects financed from different sources, which may lead to the prioritization of certain projects to the detriment of others; changes in the working assumptions used for indicator quantification; rising market prices and the conduct of public procurement procedures.

The programme's contribution to the implementation of the Country-Specific Recommendations

Administrative capacity and governance: The SW Oltenia RP allocates significant financial resources for the development and strengthening of administrative capacity at the level of *institutions involved in the program's management and control system*. This is achieved through organizing working meetings, exchanging experience, and best practices, as well as specific training sessions in areas of interest for accessing and implementing structural funds (e.g., public procurement, project management, technical skills, state aid, etc.). Furthermore, the programme supports the strengthening of administrative capacity at the level of *beneficiaries and potential beneficiaries/regional partners* by organizing specific training sessions (conferences, round tables, seminars, workshops, etc.), aiming to improve knowledge and skills regarding project preparation and the efficient implementation of funded interventions. According to monitoring data (31st of December 2024), within Priority 8 – Technical Assistance, 2 projects dedicated to strengthening the capacity of institutions involved in managing the SW Oltenia RP and regional beneficiaries/partners have been contracted. The contracted projects will support 100 full-time equivalent jobs (indicator SV180) and will train 263 individuals – MA staff, support, and beneficiaries related to the SW Oltenia RP 2021-2027 (SV183).

Enterprise Competitiveness and RDI activities: The programme has allocated significant financial resources, over EUR 181 million, to improve sustainability and increase the competitiveness of SMEs, as



well as to create jobs. By the end of 2024, it is estimated that 51 enterprises will benefit from financial support through the contracted projects, with increased turnover. On the other hand, to address the country-specific recommendations regarding the intensification of investments in the R&D sector, the SW Oltenia RP supports, through planned interventions under Priority 1 (SO 1.1), investments in research and development activities and encourages innovation among enterprises, aiming to increase their performance and transform them in a smart and sustainable way.

Energy efficiency: in line with the recommendations regarding the green transition, the SW Oltenia RP supports substantial investments to ensure/increase energy efficiency in residential and public buildings, including measures for using renewable energy sources. For public buildings, the programme prioritizes funding for buildings with social functions – hospitals, educational infrastructure, and social infrastructure.

Sustainable urban transport: The SW Oltenia RP supports, under Priority 4 (SO 2.8), interventions aimed at improving the efficiency and attractiveness of the local public transport system and encouraging active transportation modes (e.g., pedestrian routes, cycling infrastructure, bike-sharing systems, etc.). Monitoring data for December 2024 indicates that, under Priority 4, 16 projects promoting sustainable multimodal urban mobility have been contracted, with a non-repayable value exceeding EUR 58 million, representing 48.84% of the total financial allocation dedicated to this priority.

Reducing territorial disparities and developing small urban areas: The SW Oltenia RP promotes the integrated and inclusive development of urban areas and functional urban zones by providing specific support for economic, social, and environmental challenges, including addressing issues related to promoting culture, capitalizing on natural heritage, and developing tourism infrastructure.

The relevance of the programme to the region's priority needs

Evaluation activities show that the planned actions remain consistent with the needs and challenges of the South-West Oltenia region, as highlighted by the updated socio-economic analysis carried out in the report. The programme's interventions continue to be relevant to the region's key issues, such as improving economic competitiveness, increasing social cohesion, and enhancing accessibility. These interventions are tailored to the region's specific characteristics, including its economic diversity and the development disparities between the component counties.

In the field of *innovation and competitiveness*, South-West Oltenia continues to require support for the development of the research and development sector and for stimulating the private sector. The proposed interventions to strengthen the RDI sector and support SMEs in the digital transformation process are crucial for improving the region's competitiveness and enabling its adaptation to new economic challenges. Additionally, energy challenges are evident, and energy efficiency remains a key priority. The



region still needs investments to improve the energy efficiency of public and residential buildings, as well as to enhance the ecological public transport infrastructure. These measures will contribute to reducing carbon emissions and support the transition to a green economic model, in line with the European decarbonization objectives.

In the *education sector*, the region continues to face a gap between urban and rural areas, and the school infrastructure in rural areas remains insufficient. Therefore, measures to improve access to education and modernize educational infrastructure are essential to ensure equal opportunities for all citizens in the region and to support the long-term development of human resources. At the same time, *sustainable territorial development* remains crucial for the region's integration into the vision of a green and balanced economy. Urban regeneration and the promotion of tourism and cultural heritage continue to be necessary actions to increase the region's attractiveness and create new economic and social opportunities. These interventions will not only support the revitalization of urban areas but will also contribute to the development of a sustainable local economic model that meets the current and future needs of the region's residents.

The persistence of regional needs was confirmed through the opinion survey and interviews conducted with beneficiaries and other key stakeholders of the program. The majority of respondents agreed that the regional challenges identified during the initial stages of the programme's development remain valid.

Contribution to the National Integrated Plan for Energy and Climate Change (NECP)

The SW Oltenia RP 2021-2027 directly supports the NECP through strategic investments in energy efficiency, green-blue infrastructure, and sustainable urban mobility, under Priorities 3 and 4 of the programme.

The largest contribution to the NECP objectives was identified in the case of SO 2.1, which supports investments in the deep renovation of existing public buildings in both urban and rural areas, as well as investments in residential buildings to ensure/increase energy efficiency, but also the completion of phased projects (public buildings, residential buildings, public lighting) from the previous funding period (these projects meet the previously established support conditions but will also contribute to SO 2.1). The projects contracted as of 31st of December 2024, under this SO, will contribute to the NECP objectives by **improving energy performance in 213 residential units and 159,061 square meters of public buildings. In the long term, the expected results focus on reducing the annual primary energy consumption in the targeted residential units and public buildings, as well as reducing greenhouse gas emissions.**

Indirect contributions were also identified within SO 1.1, SO 1.3, SO 1.4 (P1), SO 3.2 (P5), SO 4.2 (P6), SO 5.1, and SO 5.2 (P7), which include investments relevant to environmental objectives, even if they are not



the primary activities of the projects. Thus, the actions supported under SO 1.1 also target the green economy and the circular economy; within the productive investment projects related to SO 1.3, measures to increase energy efficiency can be implemented, as complementary measures, and with limited financial allocations, and within SO 1.4, the staff of SMEs and public authorities can be trained, including in the field of ecological skills. In the case of SO 3.2, eligible related activities include protection barriers, riverbank defenses, slope reinforcements, rockfall barriers, and forest belts to protect traffic from the effects of extreme weather conditions, as well as additional investments for road protection against such conditions. For SO 4.2, 5.1, and 5.2, activities aimed at the construction/expansion or renovation of educational, cultural, or tourism infrastructure will comply with legal provisions regarding the energy performance of buildings.

Contribution to European Pillar of Social Rights (EPSR)

The South-West Oltenia Regional Programme 2021-2027 supports the implementation of the principles of the European Pillar of Social Rights and contributes significantly to its realization by supporting strategic priorities and projects that directly promote social cohesion, inclusion, and economic development.

The actions financed within the Programme contribute to the creation of a more accessible, labor market-adapted, and inclusive education system, especially in integrated institutions for Roma children and students with disabilities. Projects implemented by 31st of December 2024 have contributed to achieving the following results that support and benefit vulnerable groups:



Supporting 44 projects for educational infrastructure development and reducing school dropout

Creating facilities for people with disabilities (including the arrangement of a room in a dormitory for people with disabilities) to enhance the quality of education and the educational process in two projects

Modernizing two centers for inclusive education that support educational activities for children/students with special educational needs (SEN)

Financing 4 projects that particularly aim to support the participation of children from vulnerable/disadvantaged groups in mainstream education, particularly those at high risk of school dropout and early school leaving

Extending/rehabilitating/modernizing/equipping 19 educational infrastructures in rural areas to increase access to adequate educational offerings and reduce school dropout and early school leaving for children in rural areas

Achieving a total of 1,830 persons for the indicator related to the capacity of classrooms in newly or modernized educational structures

Progress in implementation and achievement of milestones

Overall, the progress in implementation is satisfactory for the end of 2024, with most calls for proposals having been launched and numerous projects in the approval and contracting stages. Furthermore, there is a heightened interest from potential beneficiaries in accessing funding, with several calls for projects experiencing oversubscription (the value of the grant applications exceeds the programme allocations). Additionally, in the first months of 2025, new calls for projects are expected to be launched for all objectives and interventions that have not yet been covered.

Regarding the milestones for 2024, in relation to the operations implemented on 31.12.2024, their value is zero, given that there were no completed projects on that date. However, **based on the operations selected by 31.12.2024, a satisfactory level of target achievement is observed.**



Recommendations

Among the recommendations that could lead to improving the implementation process and performance of the Programme are:

- In order to strengthen the regional innovation and competitiveness ecosystem, the MA SW Oltenia RP 2021-2027 proposes to integrate into the Programme a **funding action dedicated to STEP strategic technologies**. This measure will be supported by introducing a new priority within the programme, namely Priority 9. Strategic Technologies, with RSO 1.6 - Supporting investments that contribute to the objectives of the Strategic Technologies for Europe Platform (STEP platform).
- In order to respond to the Country Specific Recommendations, the SW Oltenia RP 2021-2027 proposes to include an **action dedicated to social housing for vulnerable groups**. The proposal will be integrated within Priority 6 (to be renamed Modern Education and Inclusion) and RSO 4.3 Promoting socio-economic inclusion of marginalized communities, low-income households and disadvantaged groups, including people with special needs, through integrated actions targeting housing and social services.
- Regarding **the improvement of energy performance**, given the high interest of beneficiaries in these categories of interventions, it is recommended to finance the projects on the reserve list related to the call "*Investments in public buildings to increase energy efficiency*", SO 2.1, by reallocating part of the funds available under priority 3, RSO 2.7, as well as launching a new call "*Investments in public buildings to increase energy efficiency - Call 2*".
- It is recommended that future impact evaluation activities of the SW Oltenia RP also focus on **differentiating the programme's contribution to climate change mitigation (through interventions targeting energy efficiency, for example) and climate change adaptation**.
- **Organizing information and support sessions for beneficiaries**, in the more advanced stages of project implementation, to facilitate addressing potential problems that may arise, provided that this need is identified among beneficiaries/there is interest on their part.