Executive Summary

The early interim evaluation of the South-East Regional Programme 2021–2027 (PRSE) was carried out in accordance with **the requirements set out in the Evaluation Plan approved** by the Programme Monitoring Committee and based on Article 40 of Regulation (EU) 1060/2021. This evaluation has a key role to play in supporting efficient management and increasing programme performance, helping to improve the implementation process and maximise the impact of supported interventions.

The overall objective of the evaluation is to provide **practical support to the Managing Authority and other actors involved** in the implementation of the PRSE, by identifying early the problems encountered and formulating concrete recommendations. The evaluation covers the five key evaluation criteria: relevance, effectiveness, efficiency, coherence and European added value, reflecting the need for a detailed understanding of both the overall implementation process and the specificities of each priority or instrument, such as Integrated Territorial Investments (ITI) Danube Delta.

The specific objectives of the evaluation include the provision of information relevant to the mid-term monitoring and review exercise, the analysis of the effectiveness of the implementation mechanisms and the identification of the strengths and vulnerabilities of the process, with a view to increasing absorption and meeting the assumed targets.

The evaluation has as target groups the staff of the Managing Authority and of the structures involved, the members of the Monitoring Committee, the eligible beneficiaries, the relevant partners, the line ministries, as well as the citizens targeted by the interventions and the European Commission.

Covering the period between 21 October 2022, the approval date of the PRSE, and 31 December 2024, the reference date of the data of this evaluation, the evaluation focuses on the territory of the South-East Development Region (Brăila, Buzău, Constanța, Galați, Tulcea and Vrancea), including the Danube Delta area, and reflects the interventions financed under the seven priorities of the programme.

The evaluation methodology, as well as the structure of the report, are aligned with the requirements of the tender specifications and the evaluation questions formulated for each priority. These concern the relevance and coherence of the interventions in relation to the needs of the region and European policies, the contribution of the programme to the climate and energy objectives of the Integrated National Energy and Climate Change Plan (NECP) as well as the integration of the European Pillar of Social Rights (EPSR) into the projects under implementation. The evaluation shall also cover the efficiency and effectiveness of the programme, namely progress in implementation and level of performance, implementation mechanisms, appropriate allocation of resources, factors influencing positively or negatively implementation, the efficiency of simplification measures and their impact on administrative burden.

The evaluation includes an evaluation report for each of the seven priorities, a synthesis report and one dedicated to the Integrated Territorial Investment (ITI) Danube Delta instrument.

The early interim evaluation of PRSE 2021–2027 used a **mixed methodology ,** combining quantitative and qualitative methods, tailored to the specificities of the interventions analysed. The diversity of tools used has allowed **sources and methods to be triangulated**, contributing to credible and relevant conclusions.

The tools applied include: desk research, interviews with key actors, focus groups, workshops, panel of experts, survey of beneficiaries, statistical analyses and case studies. All programme priorities (P1–P7) were systematically covered by these methods. In addition to the collection of primary data, the evaluation included the analysis of programmatic documents (PRSE, guides, previous reports), administrative data (e.g. MySMIS, PRSE Managing Authority) and official statistical sources (INS, Eurostat). The statistical analyses covered the physical and financial progress, the level of contracting and implementation, the degree of achievement of the result and output indicators.

**The limitations of the methodology** are mainly related to: **the limited time** (approximately three months) allocated to the entire evaluation process, which required the collection and analysis activities to be organised in parallel; **the reference time of the data**, i.e. 31 December 2024, which required the resumption of preliminary analyses with full data only available at the end of January 2025; **the stage of implementation**  without completed projects at the time of the evaluation. Thus, the analysis could focus only on the outputs assumed by the contracts, without assessing the actual outputs or results generated.

However, the **robustness of the conclusions was supported by the variety and complementarity of the methods used**, through a triangulation approach that ensures accuracy and balance between the perspectives of the different actors involved.

The South-East Regional Programme 2021–2027 is a **major institutional innovation** under the Cohesion Policy in Romania, being for the first time directly managed at regional level. In this respect, the PRSE – along with the other seven regional programmes – marks the shift from a centralised approach used in previous periods to a **decentralised programming and implementation framework.** This change has generated significant opportunities to adapt interventions to regional needs, but also administrative and operational challenges specific to the process of building a functional Managing Authority at the level of the South-East Regional Development Agency.

The programme was approved in October 2022 under the Investment for jobs and growth goal, with a total budget of EUR 1.47 billion (EUR 1.24 billion ERDF + EUR 0.25 billion national contribution). Structured around **5 policy objectives, 6 investment priorities, 13 specific objectives and 22 actions**, the PRSE is a complex programme with a strategic financial allocation reflecting EU priorities, but still with a high degree of fragmentation.

**ITI Danube Delta** benefits from significant funding for interventions dedicated to biodiversity, urban mobility, accessibility and energy efficiency, supporting the implementation of the Integrated Strategy for Sustainable Development of the Danube Delta.

**The complexity of the PRSE** highlights the interlinkages between priorities and actions, reflecting both the adaptation of the programme to regional specificities and its alignment with the requirements of the European Union. This structure requires the Managing Authority to have a strong coordination and implementation system capable of supporting a coherent and efficient intervention. At the same time, the start of the implementation period was marked by the challenge of managing a considerable number of phased projects in the 2014-2020 period, which required continuation from the 2021-2027 SREP. This reduced the space available for new projects and generated significant administrative pressure, affecting the early launch of calls dedicated to the new programming period.

The South-East region faces persistent socio-economic challenges such as demographic decline, high territorial inequalities, a fragile labour market and low urbanisation. Despite some positive signs of economic growth, disparities between counties remain and access to education, health and public services is uneven. These realities justify the need for integrated interventions tailored to local specificities.

The programme responds to these challenges through a complex and place-based approach, structured around five policy objectives and seven priorities. The programme finances interventions targeting economic competitiveness, sustainable infrastructure, urban development and social inclusion, contributing to increased territorial cohesion. The flexibility of the programme also allows it to respond to emerging needs, such as adapting to natural disasters or seizing strategic technological opportunities. Although **the socio-economic analysis does not indicate the need for fundamental changes to the PRSE strategy**, the effects of the war in Ukraine underline the importance of maintaining investment in transport and connectivity

The South East Regional Programme has since the programming phase integrated **the relevant country-specific recommendations** issued by the European Commission under the European Semester, contributing to the implementation of 12 of them. In 2024, Romania received a recommendation directly related to cohesion policy: accelerating programme implementation, strengthening administrative capacity, supporting small cities and seizing the opportunities offered by the Strategic Technologies for Europe Platform (STEP).

The programme includes interventions for balanced urban development and administrative consolidation measures, but their implementation is still limited and the concrete contribution can be optimised. There is a need to speed up the launch of calls, provide additional support for projects in small towns and create a dedicated STEP objective in the programme to support innovation and increase regional competitiveness. In addition, the establishment of an innovation office within the South-East RDA could actively support the integration of these European priorities, building on the relations already established by the managing authority with regional actors

**PRSE 2021–2027 is strategically aligned with the objectives of the NECPs ,** supporting the green transition by financing energy efficiency, greenhouse gas emission reduction and sustainable urban mobility projects. The allocations for these interventions – more than **EUR 330 million** – concern in particular the renovation of buildings, the modernisation of public transport and the development of alternative fuels infrastructure.

Although implementation is still in its infancy, environmental projects are among the most advanced in the programme. In addition, the programme indirectly contributes to environmental objectives by supporting organic production in small and medium-sized enterprises and the digitalisation of services other measures addressing the principles of sustainable development that can be applied to all projects according to the choices of beneficiaries. In order to maximise the contribution, further measures are needed to accelerate implementation, train beneficiaries and cross-integrate the environmental dimension into all types of interventions.

The programme contributes significantly to the implementation of the **EPSR, in particular in two key areas: equal opportunities and access to the labour market**, **as well as social protection and inclusion**. By investing in educational and social infrastructure, the programme supports the modernisation of educational establishments and the development of multifunctional social centres, directly addressing the needs of vulnerable groups. Under Specific Objective 4.2, the programme finances the modernisation of educational infrastructure, with an allocation of EUR 45.8 million, of which EUR 16 million of projects were contracted by the end of 2024, targeting more than 7,000 beneficiaries. OS 4.6 also foresees the launch of a call in 2025 for the modernisation of school camps and leisure centres for children and young people. In the area of social inclusion, Specific Objective 5.1 supports integrated urban development with an allocation of EUR 2 million for social protection, social housing and access to essential services, including through projects providing for the development of multifunctional centres and the regeneration of marginalised areas.

In addition to these direct contributions, **the programme integrates the EPSR principles** as cross-cutting requirements in the project selection and implementation process, including accessibility criteria, equal opportunities and fair working conditions. In order to strengthen the social impact, further measures are needed such as prioritising funding for vulnerable groups, promoting cross-financing and disseminating good practices on social inclusion and the EPSR principles among beneficiaries.

Progress in the implementation of the SREP by 31 December 2024 reflects a **significant level of contracting (41%** of the allocation), mainly due to phased projects (79% of the total), but the overall pace of implementation is slow, with no completed projects and declared expenditure below 5% of the contracted amounts. Milestones are met unevenly between priorities and specific objectives, and in many cases their validation is premature.

Progress in achieving the milestones of the South East Regional Programme is **limited and uneven between the specific objectives**. In the absence of completed projects, the analysis is based solely on contracted operations, in particular those **phased during the 2014-2020 ROP period,** which resulted in substantial overachievement of milestones for several priorities.

**Priority 1** has made minimal progress, with only three contracts signed, the only notable progress is on OS1.3, where the degree of ownership towards the milestone is 196%, but only 32% towards the final target.

**Good results** on energy efficiency were recorded for Priority 2**(Specific Objective 2.1), with 53 projects contracted. Contracted projects could cover around 74% of the final targets set for improving the energy performance of public buildings and 15% for improving the energy performance of housing.** For Specific Objective 2.4, progress is modest with only one project contracted, which has the potential to contribute to reaching the final target of 29% of the indicator. At the level of this specific objective, there is little interest from beneficiaries in actions to create forest curtains. There is no progress for Specific Objective 2.7-forest curtains but there is a complex project under preparation in terms of investments in Natura 2000 sites.

**Priority 3** saw significant exceedances of milestones due to phased projects, with 233% exceedances for digitalised transport systems. However, progress towards the final targets is uneven (between 5% and 241%).

**Priority 4** has seen a substantial overachievement for Specific Objective 3.1 (990% compared to the milestone), but there is no progress for alternative fuels infrastructure nor for berthing infrastructure in the Danube Delta ITI area.

**Priority 5** did not have milestones set, but made good progress on Specific Objective 4.2 (74% and 83% compared to the final targets for classrooms). No progress has been made for Specific Objective 4.6 given that calls for this objective are to be launched.

**Priority 6** has made significant progress in terms of ownership of milestones, following the general trend, with the value of the contribution to milestone targets varying, in the case of Specific Objective 5.1, between 848% for open spaces created or rehabilitated in urban areas and 0% for green infrastructure supported for purposes other than climate change adaptation. As regards specific objective 5.2, progress in achieving the milestone for the number of cultural and tourism sites supported has been achieved at 100%, with the values assumed contributing to achieving the final targets at 13%.

The implementation of the Programme in the current programming exercise has focused on simplification of administrative procedures and digitalisation, with the objective of reducing the bureaucratic burden and making project management more efficient. Tools such as the improvement **of the MySMIS platform**, **the pre-financing mechanism** and **the Help-desk have** been introduced, but there are still difficulties with technical issues, different interpretations of requirements and complexity of processes.

In **Priorities 1-6 ,** administrative, financial and operational barriers were highlighted, including **low administrative capacity of ATUs, problems in obtaining the necessary permits, legal challenges in expropriation procedures, large number of mature projects**, but **insufficient financial resources** to support them all.

Conclusions

The evaluation highlights a persistent gap between the significantly increasing pace of contracting and the actual execution of projects, which remains slow. This situation is influenced by delays in the evaluation and selection process, the complexity of administrative procedures and the lack of specialised evaluators in the region. In parallel, phased projects account for a major share of the budget, which limits access to funding for new initiatives and reduces the programme’s ability to respond promptly to emerging needs. This creates a need for additional operational support to speed up the implementation process.

There is a slow progress in preparing and advancing strategic projects with regional impact, such as the Regional Data Centre, interventions in Natura 2000 sites or integrated projects in the Danube Delta ITI area. They involve complex documentation, elaborate institutional arrangements and coordination between multiple administrative levels.

The emergence of new European priorities, such as those reflected in the STEP and RESTORE regulations, coupled with regional needs or opportunities at national and European level opens up opportunities that require a more flexible approach and rapid adaptation of the programme to new strategic directions. This implies a rapid adaptation of funding from actions with lower demand than initially formulated at the start of the programme towards these new opportunities.

Although the RDI field has been a challenge if a low interest of SMEs towards innovation and economic constraints, the financing opportunities of the sector have the potential of a strong impetus for RDI activity in the region. The Managing Authority’s planning directorate has taken important steps to create a favourable environment also for key regional actors, but concerted action by a regional innovation hub is essential to build on this formed basis.

The dynamic context of implementation, including rising investment costs, delayed calls in certain areas and prevailing contracting of phased projects, influences the current relevance of some targets and indicators. In addition, significant differences in progress between specific objectives suggest that some targets may become unrealistic or unrelated to actual execution capacity. This context generates the need for a substantiated revision of the performance framework based on up-to-date data on costs, contracting and maturity of projects.

Beneficiaries, in particular small ATUs and the private sector, face difficulties in preparing projects, obtaining permits, understanding administrative requirements and launching procurement procedures. These challenges limit equitable access to finance and can affect the quality and impact of investments. Opportunities for support for skills development and the use of cross-financing (ESF) are also not fully exploited, which reduces the potential for efficient operation of infrastructures and delivery of quality public services.

Although the PRSE aimed at simplifying procedures, technical difficulties in using the MySMIS platform, documentary redundancies and different interpretations between evaluators and beneficiaries affect administrative efficiency. Simplification measures promoted at European and national level have not been fully exploited, in particular as regards simplified cost options. Also, part of the administrative burden has shifted from the verification phase to the contracting phase, without actually being reduced. These issues signal a continued need for optimisation and recalibration of procedures in order to reduce administrative burdens and increase result-oriented accountability.

Recommendations

The evaluation makes six main recommendations for accelerating and optimising the implementation of the 2021–2027 SREP. Firstly, it is recommended to speed up the contracting and implementation of projects by mobilising MA resources, training internal evaluators and stimulating compliance with deadlines by beneficiaries. Secondly, there is a need for systematic monitoring of major projects with high regional impact and complexity through a transparent and phased process.

It is also proposed to integrate the new interventions provided for by the RESTORE and STEP regulations, through reallocations of funds and the rapid operationalisation of the Regional Innovation Office, as a support instrument for Research and Development Innovation activities. The fourth recommendation aims at revising the performance framework, in line with the updated indicator values and the actual costs of projects.

In support of beneficiaries, the evaluation underlines the need to develop local administrative capacity, especially in small towns and rural areas, through support in the integration of training components and the use of cross-financing. Finally, it is recommended to continue the simplification process by improving the use of MySMIS, applying the simplified costs foreseen by the Regulation and reducing redundant requirements in funding applications and reporting, in parallel with an increased accountability of beneficiaries towards results.