



The EU Mutual Learning Programme in Gender Equality


Gender mainstreaming and gender budgeting in the ESIF and national budgets

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Comments paper - Romania



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Gender budgeting and ESIF in Romania

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Abstract

While it seemed to be rather difficult, a careful examination of what happened in Romania reveals some progress in relation with gender budgeting and the use of European Structural and Investment Funds (ESIF) to promote gender equality. There are both important preconditions and entry points in doing so.

1. Relevant country context

1.1 Assessment of the policy context

With 54.5 out of 100 points, Romania ranks 25th in the EU on the Gender Equality Index¹. Its score is 12.9 points lower than the EU's score. Between 2005 and 2017, Romania's score increased by 4.6 points (+ 2.1 points since 2015). Romania's scores are lower than the EU's scores in all domains. Gender inequalities are most pronounced in the domain of power (38.8 points), time (50.3 points) and knowledge (51.5). Romania's highest score is in the domain of health (71.1 points), but this is the lowest score in the whole EU.

In order to have an image upon gender budgeting² and the use of European Structural and Investment Funds (ESIF), to promote gender equality in Romania it is important to consider:

1.1.1 Partnership agreement (PA)

The Partnership agreement³ provided enough data referring to inequalities faced by women and girls, including roma women, in relation with the employment rate and access to work.

¹ Gender Equality Index 2019, <https://eige.europa.eu/publications/gender-equality-index-2019-romania#downloads-wrapper>, accessed on 03.01.2020

² EIGE (2019), *Gender budgeting. Mainstreaming gender into the EU budget and macroeconomic policy framework*, available online at <https://eige.europa.eu/publications/gender-budgeting-mainstreaming-gender-eu-budget-and-macroeconomic-policy-framework>, accessed on 03.01.2020

³ ROMANIAN PARTNERSHIP AGREEMENT FOR THE 2014-2020 PROGRAMMING PERIOD, *Official Version*, available online at https://www.fonduri-structurale.ro/Document_Files/Stiri/00014830/sfvjd_Acord%20de%20parteneriat%20oficial.pdf, accessed on 05.01.2020

Interventions from ESI Funds under **Thematic objective no. 8: Promoting sustainable and quality employment and supporting labour mobility** have been set to address the employability issue in an integrated manner from the perspective of education, training and employment opportunities, as well as by focussing on the most affected target groups on the labour market (young people NEETs, elderly, women, rural population) according to the main development needs.

As for the Promotion of equality between men and women, non-discrimination and accessibility (with reference to article 7 of cpr), the document seems to be just a copy paste one.

1.1.2 National Reform Programme (NRP)

The National Reform Programme⁴ (NRP) is lacking a gender perspective. It refers to “women” only twice, in relation with:

- “improving the employment rate for population aged 20-64, in order to achieve the objective assumed under the *Europe 2020 Strategy*” – table *Labour force 2018 – 2022*⁵; and
- “increase the access of vulnerable people to health services⁶” - the continuation of the implementation of 15 health/screening programmes on various topics; however, it is in footnote 231, not mentioned in the text.

However, the NRP includes data related to initiatives funded by ESF in support of the most developed gender policy in Romania - *Prevention and combating of domestic violence*⁷.

1.1.3 Country Specific Recommendations (CSR)

Country Specific Recommendations for 2019⁸ mentioned as challenges related to gender equality: *a considerable pension gender gap, the labour-market participation of women as well as the early acquisition of skills, a low women’s activity rate, particularly for the young and middle-aged, and no formal access to social security rights covering unemployment, maternity leave, accidents and occupational injuries of daily and seasonal workers.*

⁴ *National Reform Programme of Romania 2019*, available online at https://ec.europa.eu/info/sites/info/files/2019-european-semester-national-reform-programme-romania_en.pdf, accessed on 05.01.2020

⁵ *Ibidem*, p.8

⁶ *Ibidem*, p.82

⁷ *Ibidem*, p.80

⁸ *RECOMMENDATION OF THE COUNCIL on the National Reform Programme of Romania for 2019 and which includes a Council opinion on the Convergence Programme of Romania for 2019*, available online at [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0905\(23\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0905(23)&from=EN), accessed 05.01.2020, p.4-5

Despite this, there are not specific gender relevant recommendations in the document – please see Annex no. 1.

1.1.4 The horizontal principle of non-discrimination and equality between men and women (HP)

A *Guide on the integration of horizontal themes in projects financed from the European Structural and Investment Funds 2014-2020 Part I - Equal opportunities and treatment*⁹ has been elaborated to facilitate the application with the horizontal objective of equal opportunities and treatment in the use of ESI funds for the period 2014-2020 and to encourage action and effective measures in the elaboration and implementation of projects, in accordance with the provisions Partnership Agreement between Romania and the European Union.

The recommendations in the guide are indicative and must be closely linked to Applicant's guide and applicable rules to the operational programme through which you want to get funding!

1.1.5 Gender Equality in Operational Programmes

ESF – Programul Operațional Capital Uman¹⁰ (POCU) 2014-2020 - Programul Operațional Capacitate Administrativă¹¹ (POCA) 2014 – 2020

Both the last Guides - *the Applicant's guide POCU*¹² (May 2019) and *the Applicant's guide POCA*¹³ (July 2019) have just listing gender equality in the ESF secondary themes, as now it exists the above mentioned *Guide on the integration of horizontal themes in projects financed from the ESIF*.

ERDF – POR - Programme Operational Regional¹⁴

*The ANNUAL IMPLEMENTATION REPORT 2016 OCTOBER 2017*¹⁵ CMPOR meeting presents “Specific actions taken to promote equality between men and women and non-discrimination, in particular accessibility for persons with disabilities, and measures implemented to ensure gender mainstreaming in the operational

⁹ Ghid privind integrarea temelor orizontale în cadrul proiectelor finanțate din Fondurile Europene Structurale și de Investiții 2014-2020 partea a I – a Egalitatea de șanse și de tratament, available online at https://www.fonduri-ue.ro/images/files/documente-relevante/orientari_beneficiari/Ghid.egalitate.sanse.1.pdf, accessed on 06.01.2020

¹⁰ Human Capital Operational Programme

¹¹ Operational Programme Administrative Capacity

¹² Guidelines on Accessing Funding under the Human Capital Operational Programme 2014-2020, available online at <http://mfe.gov.ro/wp-content/uploads/2019/05/d625e0d93d896de1c275c4f28c62f363.pdf>, accessed on 06.01.2020

¹³ GHIDUL BENEFICIARULUI PROGRAMULUI OPERAȚIONAL CAPACITATE ADMINISTRATIVĂ Versiunea iulie 2019, available online at <http://www.poca.ro/implementare-proiecte/ghidul-beneficiarului-poca-vs-iulie-2019/>, accessed on 06.01.2020

¹⁴ Regional Operational Programme

¹⁵ ANNUAL IMPLEMENTATION REPORT 2016 OCTOBER 2017 CMPOR meeting, available online at http://www.inforegio.ro/images/documente/RAI/rai_2016_FINAL.pdf, accessed on 06.01.2020

programme and in operations”. However, its content details aspects in respect of equal opportunities, and not of equality between men and women.

The revised and approved version of POR (16 October 2018), Table 24: *Applicable ex-ante conditionalities and assessment of their fulfilment*¹⁶ mentions “The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds” fulfilled.

1.1.6 Gender Equality and Gender Budgeting in National Programmes and Projects

1.1.6.1 National Programmes and Projects of the National machinery (ANES) and of Ministries with attributions in Gender Equality Legislation

Some of the relevant national Programmes and projects in Romania are:

- **Agenția Națională pentru Egalitatea de Șanse între Femei și Bărbați¹⁷ (ANES)**

The National Programme Supporting Victims of Domestic Violence „VENUS¹⁸ – Împreună pentru o viață în siguranță!”¹⁹ - more than 10.999 million Euro allocated through ESF and national contribution - for establishing a national network of minimum 42 shelters, the development of 42 support groups, the establishment of 42 vocational counselling services; and actions preventing and fighting the domestic violence; Programul Operațional Capital Uman²⁰ (POCU) 2014-2020, Priority Axis 4: Social inclusion and combating poverty²¹;

- **Ministerul Muncii și Justiției Sociale²² (MMPS)**

INCLUZIUNE ȘI EGALITATE DE ȘANSE POST-2020²³ – Cadru strategic național de politică pentru incluziunea socială și egalitatea de șanse post 2020 - 6,247,238.21 lei of which 5,643,732.69 are from ESF; general objective: Developing the administrative capacity of the MMJS and ANES for evidence-based public policies making in its area of responsibility, respectively of the national strategic framework on social inclusion and poverty reduction post 2020 and of the national strategic framework for post 2020 gender equality, according to the requirements established by the European Commission, in order to fulfil the favourable conditions essential for the preparation of the documents related to the CFM post 2020 and the accession of ESIF in the

¹⁶ POR (16 October 2018), available online at <http://www.inforegio.ro/en/documents/programming-documents>, accessed on 06.01.2010, p. 331-333; 380-381.

¹⁷ National Agency for Equal Opportunities between Women and Men

¹⁸ VENUS – Together for a safety life!

¹⁹ National Reform Programme of Romania 2019, available online at https://ec.europa.eu/info/sites/info/files/2019-european-semester-national-reform-programme-romania_en.pdf, accessed on 05.01.2020, p. 80.

²⁰ Human Capital Operational Programme

²¹ <http://anes.gov.ro/proiectul-venus-impreuna-pentru-o-viata-in-siguranta/>

²² Ministry of Labour and Social Justice

²³ INCLUSION AND EQUALITY OF OPPORTUNITIES POST-2020 - National strategic policy framework for social inclusion and equal opportunities post 2020

period 2021-2027; ESF - Programul Operațional Capacitate Administrativă²⁴ (POCA) 2014 – 2020.

- **Ministerul Sănătății²⁵ (MS)**

The below programmes are presented as on the MS site²⁶ (accessed on 07.01.2020) <http://www.ms.ro/2017/10/06/ministerul-sanatatii-va-demara-5-programe-nationale-de-screening-cu-finantare-europeana-nerambursabila/>:

- *The National programme for cervical cancer screening* – 47 million Euro allocated through ESF and national contribution – in two stages²⁷;
- *The National breast cancer screening programme* – 21 million Euro allocated through ESF and national contribution - in two stages²⁸;
- *The National Programme for Mother and child* – 19 million Euro allocated through ESF and national contribution - in two stages²⁹

1.1.6.2 Projects

Examples of projects funded by ESIF in Romania:

- A number of four projects³⁰ accepted for funding by ESF and the national contribution - more than 1.577 million Euro allocated - for delivering integrated social services for victims of domestic violence, interventions of education,

²⁴ Operational Programme Administrative Capacity.

²⁵ Ministry of Health.

²⁶ I have failed in identifying them.

²⁷ The allocation for the two stages: 5 million Euro to elaborate the methodology of the programmes of prevention, early detection, diagnosis and early treatment of cervical cancer (HPV / Babeș Papanicolau) and for the training of the medical personnel that will be involved in the development of these programmes as well, followed by 42 million Euro (10.5 million Euro for each development region: North West; North East; South Muntenia and Centre) for effective implementation of regional programmes for prevention, early detection, diagnosis and early treatment of cervical cancer.

²⁸ The allocation for the two stages: 5 million Euro for a reference center for regional breast cancer screening programmes, training the personnel involved, developing the methodology for carrying out the prevention, early detection, diagnosis and early breast cancer treatment programmes, followed by 16 million euros allocated (8 million euros for each project, each project requiring the coverage of 2 development regions: North West and West, respectively North East and South East) for the implementation of regional programmes for the prevention, early detection, diagnosis and early treatment of breast cancer.

²⁹ The allocation for the two stages: 3 million Euro for the development of national registers for regional programmes of care of the pregnant woman and the child and for specific training programmes of the involved personnel, followed by 16 million Euro (2 million Euro for each development region) allocated for the implementation of health programmes and services for prevention, early detection, early prenatal diagnosis and treatment, here including the purchase of the necessary equipment.

³⁰ The four projects are mentioned in the NRP, but I have failed in identifying them.

prevention and combating domestic violence, increasing social responsibility and promoting volunteering initiatives;³¹

- *BUGETAREA PE BAZĂ DE GEN*³² *ÎN POLITICILE PUBLICE*³³, Grantee: Corona Foundation, Partners: Community Safety and Mediation Center Foundation and National Agency for Equal Opportunities for Women and Men (ANES) - 999.826,84 lei; general objective: to increase NGOs' capacity to get involved in formulating and promoting alternative policies to government public policies initiated by the Government in the field of gender budgeting, aiming the appropriate allocation of financial resources by taking into account the gender dimension; ESF - Programul Operațional Capacitate Administrativă³⁴ (POCA) 2014 – 2020.

1.2 Institutional/legal provisions

National machinery – Agenția Națională pentru Egalitatea de Șanse între Femei și Bărbați (ANES) / National Agency for Equal Opportunities for Women and Men - is a specialized body of central public administration, with legal personality, subordinated to *the Ministry of Labour, Family, Social Protection and Older Persons*³⁵, which promotes the principle of equal opportunities and treatment between women and men and ensures the foundation, elaboration and application of the respective strategy³⁶ and gender policies of the Government.

2. Policy debate

2.1 Issues

Gender Budgeting and *Gender mainstreaming within the EU's social dimension post 2020* are the most relevant issues at this moment, due to activities related to the Romanian Presidency and the implementation of the above mentioned project *GENDER BUDGETING IN PUBLIC POLICIES*.

For example, during the second day of the informal meeting of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) in Bucharest (10-

³¹ National Reform Programme of Romania 2019, available online at https://ec.europa.eu/info/sites/info/files/2019-european-semester-national-reform-programme-romania_en.pdf, accessed on 05.01.2020, p.80

³² GENDER BUDGETING IN PUBLIC POLICIES

³³ <http://anes.gov.ro/bugetarea-pe-baza-de-gen-in-politicile-publice/>

³⁴ Operational Programme Administrative Capacity

³⁵ Now *Ministry of Labour and Social Justice*

³⁶ National Strategy on promoting equal opportunities and treatment between women and men for the period 2018-2021 and its Operational action plan, available online at <http://anes.gov.ro/wp-content/uploads/2018/06/Strategia-Nationala-ES-si-VD.pdf>, and <http://anes.gov.ro/wp-content/uploads/2018/06/Plan-operational-2018-2021-SN-PILON-ES-SI-VD.pdf>

11.04.2019), the Minister of Labour and Social Justice, Marius Budai declared³⁷ that “...I believe that gender equality must be set as a political priority of the European Union and it must ensure the effective implementation of the policies and legislation in the field”.

The *expert in equal opportunities*³⁸ is another issue on debate. The Law no. 178/2018 regulated **the possibility** of public and private sector employers with more than 50 employees, to have in the personnel structure **an expert in equal opportunities, a technician in equal opportunities, or, as the case may be, to distribute in the task of an employee, through the job description, specific tasks in the field of equal opportunities between women and men.** This provision was necessary in order to develop and apply concrete measures to promote equal opportunities and treatment between women and men and to eliminate all forms of discrimination based on the criterion of sex in the public and private sectors (art. 2 para. (1) of Law no. 202/2002). However, the problem is on standby.

2.2 Reforms

In the framework of the public administration reform, *Institutional Strategic Plans* of National and Local Government creates preconditions for Gender mainstreaming and gender budgeting in national budgets and the ESIF. For example:

- **The Institutional Strategic Plan of the Ministry of Labour and Social Justice** (updated in 2018) included awareness raising events related to the benefits of gender budgeting and of fiscal facilities for companies providing day-care services for their employees³⁹;
- **The Institutional Strategic Plan 2018-2021⁴⁰ for the Ministry of Public Finance (MPF) and for the subordinated institutions** - funded by ESF - Programul Operațional Capacitate Administrativă (POCA) 2014 – 2020/ Operational Programme Administrative Capacity (report of the International Bank for Reconstruction and Development / the World Bank). One of its scope is to “*improving, applying and strengthening budgetary governance, increasing budgetary transparency and making public spending more efficient*”⁴¹.

Ensuring a more transparent, evidence-based budgeting process (based on public policies) and result-oriented includes the development of the programme budgeting system⁴²; increasing the efficiency of the processes of elaboration, evaluation and

³⁷ <https://www.romania2019.eu/2019/04/11/gender-equality-and-the-economic-independence-of-women-on-the-agenda-of-the-second-day-of-the-epsco-meeting-in-bucharest/>

³⁸ http://www.mmuncii.ro/j33/images/Documente/MMJS/Transparenta-decizionala/2019/20190117-NF_ANES_NM_Lg_202-2018.pdf

³⁹ <http://www.mmuncii.ro/j33/index.php/ro/minister-2019/strategii-politici-programe/5244-planul-strategic-institutional-mmjs-2018>, p.100.

⁴⁰ By establishing an Institutional Strategic Plan for the 2018-2021 budget cycle in the MFP and the 13 selected ministries, the General Secretariat of the Government (SGG) aims to strengthen the capacity of budgeting, planning and monitoring of the Romanian government

⁴¹ <https://sgg.gov.ro/uploads/2018/09/PSI-MFP-RO-5-sept.-2018.docx>, accessed 09.01.2020, p. 5

⁴² Ibidem p. 20.

implementation of policies by the MPF and the subordinated institutions includes *operationalizing the impact analyses of the public policies and the feedback loops of the policy development and consultation with citizens and stakeholders involved in the fiscal-budgetary sector, for the formulation and publication of public policies*⁴³.

3. Transferability aspects

After reading carefully and learning a lot about, my opinion related to Discussion papers is the following:

Gender budgeting in Austria

Reforms from budgeting on budget lines to different forms of performance-based budgeting or results-based budgeting offer many opportunities for gender budgeting, and here Austria is the success story at federal level. Moreover, in Austria, budgeting is combined with a systematic approach to mandating gender legal impact assessment among other dimensions of mandatory impact assessments of new legislation and major projects. This is considered complementary to the performance-oriented gender budgeting approach. Despite the presented weaknesses of the policy, its strengths are much more important, but to build the broad political consensus would be a problem in Romania.

Gender equality in the ESIF in the Czech Republic

Issues raised in here are very familiar to me, so much easier to understand both the policy context and development. What I consider extremely successful and of particular importance – in terms of transferability – it is the *Standard of Gender Audit*.

Gender mainstreaming and gender budgeting in the ESIF - Slovakia

In this case, *the HP Unit* established under the Department of Gender Equality and Equal Opportunities of MLSAF it is a great idea, and a success indeed. It has a high degree of transferability also.

4. Conclusions and recommendations

- First and above all we must learn, put in practise and share.
- Awareness raising and debates, monitoring and ask for public hearings should create a friendly environment for the policy.
- Creating *watch dog* like activities related to the use of gender budgeting in mainstreaming gender in the use of ESIF at both national and EU level.
- Maybe to ask decision makers to reflect on *Project Quality Management?*
- Lobbying is also important, and – finally – celebrate each step ahead!

⁴³ Ibidem p. 35.

References

ANNUAL IMPLEMENTATION REPORT 2016 OCTOBER 2017 CMPOR meeting, available online and accessed on 06.01.2020 at http://www.inforegio.ro/images/documente/RAI/rai_2016_FINAL.pdf,

EIGE (2019), *Gender budgeting. Mainstreaming gender into the EU budget and macroeconomic policy framework*, available online at <https://eige.europa.eu/publications/gender-budgeting-mainstreaming-gender-eu-budget-and-macroeconomic-policy-framework>, accessed on 03.01.2020

Gender Equality Index 2019, <https://eige.europa.eu/publications/gender-equality-index-2019-romania#downloads-wrapper>, accessed on 03.01.2020

Ghid privind integrarea temelor orizontale în cadrul proiectelor finanțate din Fondurile Europene Structurale și de Investiții 2014-2020 partea a I – a Egalitatea de șanse și de tratament, available online at https://www.fonduri-ue.ro/images/files/documente-relevante/orientari_beneficiari/Ghid.egalitate.sanse.1.pdf, accessed on 06.01.2020

GHIDUL BENEFICIARULUI PROGRAMULUI OPERAȚIONAL CAPACITATE ADMINISTRATIVĂ Versiunea iulie 2019, available online at <http://www.poca.ro/implementare-proiecte/ghidul-beneficiarului-poca-vs-iulie-2019/>, accessed on 06.01.2020

Guidelines on Accessing Funding under the Human Capital Operational Programme 2014-2020 available online at <http://mfe.gov.ro/wp-content/uploads/2019/05/d625e0d93d896de1c275c4f28c62f363.pdf>, accessed on 06.01.2020

National Reform Programme of Romania 2019, available online at https://ec.europa.eu/info/sites/info/files/2019-european-semester-national-reform-programme-romania_en.pdf, accessed on 05.01.2020

POR (16 October 2018), available online at <http://www.inforegio.ro/en/documents/programming-documents>, accessed on 06.01.2010

RECOMMENDATION OF THE COUNCIL on the National Reform Programme of Romania for 2019 and which includes a Council opinion on the Convergence Programme of Romania for 2019, available online at [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0905\(23\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0905(23)&from=EN), accessed on 05.01.2020

ROMANIAN PARTNERSHIP AGREEMENT FOR THE 2014-2020 PROGRAMMING PERIOD, Official Version, available online at https://www.fonduri-structurale.ro/Document_Files/Stiri/00014830/sfvjd_Acord%20de%20parteneriat%20oficial.pdf, accessed on 05.01.2020

Annex no. 1

Extracts from RECOMMENDATION OF THE COUNCIL on the National Reform Programme of Romania for 2019⁴⁴

4.1 Challenges

1.1. Challenges related to gender equality:

- (11) The **new pension** law, adopted by Parliament in December 2018, is likely to pose risks to the sustainability of public finances. The pension point, i.e. the main parameter used for pension indexation, is set to increase by 15 % in September 2019 and by 40 % in September 2020. The pension law would change several parameters used to calculate pension benefits. In particular, the pension point value is set to rise, as the indexation factor for existing pensions would no longer converge towards prices but would instead remain permanently composed of wages and prices. Moreover, the contributory period used to calculate a person's pension will be shortened, leading to higher pension expenditure for new pensions. However, the abolishment of the correction index for new pensions (which used to partly link the first pension to wages) will mitigate the overall pension expenditure increase caused by the other parameters. Some structural challenges that affect pension adequacy remain unaddressed. **The effective average retirement age is close to the Union average, but is not equal between women and men. Coupled with shorter contributory periods for women, this results in a considerable pension gender gap.**
- (13) **Challenges linked to the quality and inclusiveness of the education and training system** have a negative impact on Romania's inclusive growth potential. Although the budget increased in 2019, spending on education remains one of the lowest in the Union, particularly at levels of education that are key to preventing early school leaving (which remains high), ensuring equal opportunities and tackling inequalities later in life. **Participation in quality early education and care remains below the Union average, partly due to lack of facilities. This has implications for the labour-market participation of women as well as the early acquisition of skills.** Modernisation of the school network and optimisation to address demographic trends is lagging behind, with

⁴⁴ RECOMMENDATION OF THE COUNCIL on the National Reform Programme of Romania for 2019 and which includes a Council opinion on the Convergence Programme of Romania for 2019, available online at [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0905\(23\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0905(23)&from=EN), accessed on 05.01.2020

10 % of schools being overcrowded, while 58 % have excess capacities. The acquisition of basic and digital skills faces significant challenges. Teachers' abilities to apply a learner-centred approach are not sufficiently developed. Rural-urban disparities persist and vulnerable groups, including the Roma, continue to have limited access to high-quality, inclusive education.

- (14) **The labour market** has been under increasing pressure, as the unemployment rate (4,2 % in 2018) is very low, while the labour force is declining and skills shortages persist. **Women's activity rate, particularly for the young and middle-aged, is low. This is mainly due to personal and family responsibilities and the low participation of children aged 0-3 in formal childcare.** Active labour market policies provide a limited response to labour market needs, with measures focused mainly on financial incentives rather than on tailor-made and comprehensive approaches. The delay of the planned reform for the public employment service remains a significant barrier for modernised service-delivery to employers and the unemployed. Upskilling and integrated services delivery is also weak. Skills are not evolving in line with the needs of expanding economic sectors, with 81 % of employers having difficulties filling job vacancies. The ICT sector is growing, while the number of Romanians aged 20-29 holding a degree in science, technology, engineering or maths fell between 2014 and 2016. At present there is no global or sector- level assessment of skills needs, and the forecasting of skills remains unused, hampering the adaptation of the education and training system to labour market needs. The roll-out of dual vocational education and training to address skills shortages has started. However, vocational education and training is still considered a second-rate option by students and parents, and the relatively low employment rate for recent vocational education and training graduates indicates that labour market relevance is a challenge. Higher education is not sufficiently aligned with the labour market. Although tertiary educational attainment has doubled over the decade, it remains low.
- (15) Despite recent improvements, **poverty and income inequality remain high, and regional disparities are** deepening. One in three Romanians is still at risk of poverty and social exclusion, with particular groups such as children, the Roma, people with disabilities and the elderly being more affected. Social services have insufficient quality and coverage, and uneven geographical distribution, not correlated with communities' specific needs. Only around 20 % of administrative territorial units have licensed social services. Services are usually concentrated around richer or urban areas, while needs are more pressing in poorer, rural areas and regions. The limited integration of employment, education, health and social services does not allow for the sustainable inclusion of various disadvantaged groups. People with disabilities are given only limited support for independent living and accessing employment. The situation of the Roma community shows very little progress. Housing deprivation is the highest in the Union and is detrimental to social inclusion. Housing policies are being decentralised without a strategic framework, and

poor communities often lack financial resources. The social reference index used as a basis for most social benefits has not been updated since 2008 and has also depreciated considerably in relation to the minimum wage. As a result, poverty rates for people with low and very low work intensity have increased by half since 2010. Furthermore, social security for atypical workers is inadequate. One in three atypical workers is at risk of severe material deprivation. **Daily and seasonal workers do not have formal access to social security rights covering unemployment, maternity leave, accidents and occupational injuries.** The implementation of the minimum inclusion income reform initiated in 2016, which would increase the coverage and adequacy of social assistance, was further postponed to 2021.

1.2. Challenges related to public policy making:

(23) **The conduct of public policy making** has become increasingly unpredictable, weighing on the business environment. A recent example is the adoption through government emergency ordinance of a set of far-reaching measures affecting the functioning of the banking sector, the second-pillar pension-fund managers, and energy and telecommunication companies, without stakeholder consultation or impact assessment. **Regulatory impact assessments remain a formality, while their quality and actual use vary substantially across sectors. There is only limited quality control of regulatory impact assessments and policy design. There is no sustainable policy monitoring mechanism with a transparent reporting system and ex-post evaluations. Important legislative initiatives are often announced just before adoption. The involvement of stakeholders in designing and implementing reforms is weak,** and genuine dialogue rarely exists, although the institutional structures for it are available. Cumbersome administrative procedures particularly affect small and medium-sized businesses. For example, burdensome administrative procedures for setting up businesses as well as regulatory requirements imposed on services providers, including regulated professions, impede further market development. The adoption of relevant legislation on human resource management in public administration is still delayed. High fragmentation of responsibilities and resources affects the consistency and availability of public services provided, especially at local level. **National and regional strategies for different public services are not well translated into integrated measures at regional and local level. Funding of public services is uneven across the country and often does not correspond to local needs.** Factors like a unified strategic approach per type of service, existing gaps and needs to develop new services are overlooked. **Local authorities' revenues lack stability and predictability. Limited action has been taken to improve the balance between responsibilities to be decentralised and the allocation of financial resources to allow local authorities to deliver quality services. Additional actions are needed to increase administrative capacity at local level.**

2. Recommendations

2.1. Recommendations related to gender equality:

2. Safeguard financial stability and the robustness of the banking sector. **Ensure the sustainability of the public pension system and the long-term viability of the second-pillar pension funds.**
3. **Improve the quality and inclusiveness of education, in particular for Roma and other disadvantaged groups.** Improve skills, including digital, in particular by increasing the labour market relevance of vocational education and training and higher education. Increase the coverage and quality of social services and complete the minimum inclusion income reform. Improve the functioning of social dialogue. Ensure that the minimum wage is set on the basis of objective criteria, consistent with job creation and competitiveness. Improve access to and cost-efficiency of healthcare, including through the shift to outpatient care.

2.2. Recommendations related to public policy making:

5. **Ensure that legislative initiatives do not undermine legal certainty by improving the quality and predictability of decision-making, including by appropriate stakeholder consultations, effective impact assessments and streamlined administrative procedures.** Strengthen the corporate governance of State-owned enterprises.

Annex no. 2

Short presentation of the Guide on the integration of horizontal themes in projects financed from the European Structural and Investment Funds 2014-2020 Part I - Equal opportunities and treatment

The guide includes:

- **Strategic framework on equal opportunities and treatment** (Main strategic documents in the field of equal opportunities and treatment at European level; Europe 2020 strategy for smart, sustainable and inclusive growth; and Other strategies relevant to the topic)
- **The conceptual framework**
 - Equal opportunities and treatment between men and women
 - Prevention of any form of discrimination
 - Accessibility for all citizens to the services, spaces and infrastructure that are provided or open to the public
 - Demographic changes
- **Legal provisions regarding equal opportunities and treatment**
 - Legislative framework at European level
 - Legislative framework at national level
 - Forms of integration of equal opportunities and treatment
- **Integration of equal opportunities and treatment in the projects funded by FESI 2014-2020**
 - The potential of the project to contribute to equal opportunities
 - Integration of equal opportunities in various stages of the project
 - Definition and planning of the project
 - Implementation of the project
 - Monitoring and evaluation of the project
- Examples of good practice