



NATIONAL REFORM PROGRAMME 2016

BUCHAREST

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ABBREVIATIONS

AADR	Romanian Agency for Digital Agenda
AM	Managing Authority
ANAF	National Agency for Fiscal Administration
ANC	National Authority for Qualifications
ANCPI	National Agency for Cadastre and Land Registration
ANCSI	National Authority for Scientific Research and Innovation
ANFP	National Agency of Civil Servants
ANOFM/NEA	National Employment Agency
ANPIS	National Agency for Payments and Social Inspection
ANPD	National Authority for Disabled Persons
ANPM	National Environmental Protection Agency
ANR	National Agency for Roma
ANRE	Romanian Energy Regulatory Authority
ANAP	National Agency for Public Procurement
AP	Partnership Agreement
APM	Environmental Protection Agency (county level)
ARACIS	Romanian Agency for Quality Assurance in Higher Education
BNR	National Bank of Romania
CC	Competition Council
CF	Cohesion Fund
CNAS	National Health Insurance House
CNCISCAP	National Committee for Coordinating the Implementation of the Strategy on Strengthening Public Administration 2014-2020
CNPP	National House of Public Pensions
CPM	Chancellery of the Prime Minister
CSM	Superior Council of Magistracy
DGAF	Fiscal Antifraud Directorate General
DIAF	Fight Against Fraud Department
DNA	National Anticorruption Directorate
DRP	Department for Relation with Parliament
EAFRD	European Agricultural Fund for Rural Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIB	European Investment Bank
EIF	European Investment Fund
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
FEAD	Fund for European Aid to the Most Deprived
FNUASS	Unique National Health Insurance Fund
IBRD	International Bank for Reconstruction and Development
ICCJ	High Court of Cassation and Justice
ILO	International Labour Office
IM	Labour Inspectorate
IMF	International Monetary Fund
INS	National Institute of Statistics
ISE	Institute of Education Sciences
JEREMIE	Joint European Resources for Micro to Medium Enterprises
MADR	Ministry of Agriculture and Rural Development
MAE	Ministry of Foreign Affairs
MAI	Ministry of Internal Affairs

MC	Ministry of Culture
MCPDC	Ministry of Public Consultation and Civic Dialogue
MCSI	Ministry of Communications and for Information Society
MDRAP	Ministry of Regional Development and Public Administration
MECRMA	Ministry of Economy, Commerce and Relations with the Business Environment
ME	Ministry of Energy
MENCS	Ministry of National Education and Scientific Research
MFE	Ministry of European Funds
MFP	Ministry of Public Finance
MJ	Ministry of Justice
MMAP	Ministry of Environment, Waters and Forests
MMFSPV	Ministry of Labour, Family, Social Protection and Elderly
MO	Official Journal of Romania
MS	Ministry of Health
MT	Ministry of Transport
NRDP	National Rural Development Programme
OIR	Intermediate Regional Body
ONRC	National Trade Register Office
OP	Operational Programme
OPAC	Operational Programme Administrative Capacity
OPACD	Operational Programme Administrative Capacity Development
OPC	Operational Programme Competitiveness
OPHC	Operational Programme Human Capital
OPLI	Operational Programme Large Infrastructure
OPTA	Operational Programme Technical Assistance
PALG	Annual Working Plan of the Government
PE/SOE	Public Enterprise/ State-owned Enterprise
PES	Public Employment Service
PICCJ	Prosecutor's Office attached to the High Court of Cassation and Justice
ROP	Regional Operational Programme
SGG	Secretariat-General of the Government
SIIR	Integrated Information System of Education in Romania
SME	Small and Medium Enterprises
SOPE	Sectoral Operational Programme Environment
SOPHRD	Sectoral Operational Programme Human Resources Development
SOPIEC	Sectoral Operational Programme Increasing Economic Competitiveness
TVET	Technical and Vocational Education and Training
UAT	Administrative Territorial Units
UIB	Unemployment Insurance Budget
UEFISCDI	Executive Unit for Financing Higher Education, Research, Development and Innovation
UEIP	Public Investment Evaluation Unit
WB	World Bank

1. INTRODUCTION

The *National Reform Programme* (NRP) is the framework-platform for defining structural reforms and development priorities guiding the evolution of Romania until 2020, according to the route to achieving *Europe 2020 Strategy* objectives.

2016 NRP was elaborated in accordance with the EC guidance¹, the priorities set in the *Annual Growth Survey (AGS)*², the country specific recommendations for 2015 (CSRs)³ and the *Country Report Romania 2016*⁴ being also taken into consideration.

2016 NRP aims at realizing the potential of growth by boosting competitiveness and productivity, strengthening the social and territorial cohesion and by creating new jobs – all aiming at reducing the gaps in economic development, as compared with other EU Member States. Assuming key structural reforms for the national economy and administration will allow concerted efforts and national resources for modernizing the Romanian society and it is likely to support economic and social convergence.

To strengthen the EU's economic recovery and to foster the convergence towards the Member States with the best results, EC recommends *maintaining the three priorities identified in 2015 AGS: re-launching investment, pursuing structural reforms and responsible fiscal policies*.

Defining national priority reforms took also into account the assessment presented by the EC in the *Country Report Romania 2016*, the main findings of the in-depth review and related policy challenges for Romania being the following:

- Vulnerabilities related to the external position have been reduced against the background of strong economic growth, and Romania's economy is becoming more resilient;
- The net international investment position is set to improve further;
- Risks from domestic legal initiatives threatening the stability of the financial sector have increased;
- An expansionary fiscal policy in a strong growth environment is a source of concern.

Other issues analyzed in this report which point to particular challenges for Romania's economy are the following:

- The effectiveness and efficiency of the public administration are limited and the business environment has hardly improved;
- Labour market conditions have been favourable but structural problems persist;
- The effectiveness of social protection and the health system is limited;
- Rural areas face particular challenges such as severe under-utilisation of human capital and the existence of “pockets” of poverty and social exclusion.

Against the presented background, 2016 NRP contains new measures, but also measures which continue reforms assumed in the previous NRPs and which are adapted to the economic and social conditions of Romania.

¹ Submitted by letter Ares(2015)5723722 – 10/12/2015

² COM(2015) 272 final, Brussels, 13.5.2015

³ 2015/C 272/01, 14.7.2015

⁴ SWD(2016) 91 final, Brussels, 26.2.2016

2. MACROECONOMIC CONTEXT AND SCENARIO

In 2015 Romania recorded a 3.8% economic growth, this being the fifth year of growth after the economic crisis (1.1% in 2011, 0.6% in 2012, 3.5% in 2013 and 3.0% in 2014). GDP growth in 2015 was driven by the positive contribution of the domestic demand, gross fixed capital formation recording a significant 8.8% increase, compared to 2014.

The current account of the balance of payments registered a deficit 2.7 times higher than in 2014, reaching 1.1% of GDP in 2015. The financing of the current account deficit was done entirely through foreign direct investment, which reached 3.0 bln. Euro, with about 25% higher than in 2014.

The employment rate of people aged 20-64 was 66.0% in 2015, 4 percentage points below the 70% national target set in the context of *Europe 2020 Strategy*. The total number of employees increased by 3.6% compared to 2014.

In 2015, ILO unemployment rate was maintained at the same level from 2014, respectively 6.8%.

The annual inflation rate reached negative values starting with June 2015, under the impact of the 9% VAT scope enlargement on all food, non-alcoholic drinks and public alimentation services. In 2015, Romania recorded the lowest level of inflation after 1990, consumer prices dropping, as annual average, by 0.59%; in December 2015, consumer prices decreased by 0.93%, as compared to the end of 2014.

The potential economic growth will average 3.9% during 2016 - 2019, mainly sustained by the contributions of both capital stock (as a result of investment resumption) and total factor productivity. Labour contribution will record positive, but low values, influenced on one hand by the decline of working age population (with persistent long-term negative influence) and on the other hand by employment increase, as activity and employment rates improved and natural unemployment rate reduced (NAWRU). These qualitative improvements of the labour market are the result of structural reforms and they succeed to offset the negative effect of demographic developments. Following the superior dynamics of domestic demand – final household consumption expenditure, government consumption expenditure, public and private investment – the *output gap* will close in 2017 and will become significantly positive in 2019.

The macroeconomic framework for 2016-2019 has taken into account: (i) the provisions of the new *Fiscal Code*, stimulating both population and business environment; (ii) 2015 wage increases, with a significant impact on consumption and investment; (iii) European and global context, highlighted in EC's winter forecast, with many uncertainties and less favourable for accelerating the development; (iv) the positive impact of low oil prices for Romanian economy; (v) 2015 economic and social achievements.

As a result, it was forecasted a gradual improvement of Romania's economic performance. **The gross domestic product** will increase on average by 4.4% annually, continuing to be sustained by domestic demand. On domestic supply side, the scenario is based on improving the activity in all economic sectors, particularly in industries with high export potential and in constructions, which can capitalize on the current need of infrastructure in all areas.

Economic growth

- Annual percentage changes -

	2015	2016	2017	2018	2019
Real GDP	3.8	4.2	4.3	4.5	4.7
Nominal GDP	6.8	6.2	6.5	6.7	6.7
<i>Real GDP components</i>					
Private consumption expenditures	6.1	6.3	5.3	5.1	4.9
Government consumption expenditures	1.6	3.2	1.8	1.6	2.0
Gross Fixed Capital Formation	8.8	6.6	6.9	7.3	7.5
Exports of goods and services	5.5	4.5	5.6	6.3	6.6
Imports of goods and services	9.1	8.7	7.8	7.9	7.8
<i>Contributions to GDP growth (percentage)</i>					
Final domestic demand	6.1	5.9	5.3	5.2	5.3
Change in stocks	-0.8	0.0	0.0	0.0	0.0
Net export	-1.5	-1.8	-1.0	-0.8	-0.6

Source: National Commission for Prognosis

The current account deficit of the balance of payments is expected to remain within sustainable limits, from 1.1% of GDP in 2015 to 1.7% in 2018 and 1.8% in 2019, following to be fully covered by foreign direct investment.

External trade and current account

- Mil. Euro -

	2015	2016	2017	2018	2019
FOB Exports	54,598.3	57,600	61,800	66,500	71,620
- annually percentage change, %	4.1	5.5	7.3	7.6	7.7
CIF Imports	62,967.7	67,850	73,250	79,250	85,845
- annually percentage change, %	7.6	7.8	8.0	8.2	8.3
Trade balance FOB - CIF	-8,369.4	-10,250	-11,450	-12,750	-14,225
Current account deficit	-1,828	-2,635	-3,150	-3,400	-3,640
- % of GDP	-1.1	-1.6	-1.7	-1.7	-1.8

Source: National Commission for Prognosis

For 2016, the aggregate level of **consumer prices** is expected to increase by 0.9% compared to December 2015, and to decrease by 0.7% as annual average. Starting with 2017, the annual inflation rate will remain relatively constant, with an average around 2.3% - 2.5%. Such development will be sustained by a consistent monetary policy adequacy in terms of ensuring and maintaining price stability in the medium term, according to the stationary inflation target of 2.5 percent \pm 1 percentage point. This forecast took into consideration normal agricultural years and a moderate increase for the international oil price.

Inflation

- % -

	2015	2016	2017	2018	2019
- end of the year	-0.9	0.9	2.5	2.3	2.2
- annual average	-0.6	-0.7	2.3	2.5	2.3

Source: National Commission for Prognosis

Against the background of an accelerating economic growth, **labour market** is also expected to improve, providing conditions for increasing jobs and improving employment rate for population aged 20-64, in order to achieve the objective assumed under the *Europe 2020 Strategy*.

Labour force					
	- % -				
	2015	2016	2017	2018	2019
Employment rate (age group 20-64)	66.0	66.5	67.1	68.1	69.1
- men	75.0	75.7	76.6	78.2	79.9
- women	57.0	57.2	57.4	57.7	58.0
Unemployment rate (according to ILO) - %	6.8	6.7	6.6	6.5	6.4

Source: National Commission for Prognosis

Also, the **number of unemployed people** (according to AMIGO) is expected to enter on a downward trend, so that the unemployment rate will fall down to 6.4% in 2019, 0.4 percentage points lower than 2015 level.

In the last six years Romania has considerably reduced its **budgetary deficit**, reaching a cash level of 1.45% of GDP in 2015 and an ESA⁵ level of 0.7% of GDP (according to preliminary data on the execution of 2015 general consolidated budget).

Budget planning for 2016 took into account the tax cuts adopted in 2015, impacting both on revenues (new *Fiscal Code*) and on spending (wage and social assistance increases). In these circumstances, the cash budget deficit is estimated at 2.8% of GDP, which corresponds to an ESA deficit of 2.95% of GDP and to a structural deficit of 2.73% of GDP. According to 2016 edition of the Convergence Programme, the current budget planning estimates for 2016 a cash deficit of 2.76% of GDP, corresponding to an ESA deficit of 2.88% of GDP and to a structural deficit of 2.73% of GDP.

Government debt stood at 39.8% of GDP at the end of 2014 (according to EU methodology) while for the end of 2015, the operational data indicates a level of 38.4%, well below the 60% ceiling set by the *Maastricht Treaty*.

According to Eurostat news release No 16/2016, at the end of Q3/2015, Romania (37.2%) ranked fifth among EU member states with lowest level of indebtedness, after Estonia (9.8%), Luxembourg (21.3%), Bulgaria (26.9%) and Latvia (36.4%), well below EU and Eurozone averages of 86% and 91.6% of GDP.

In the medium term (2016-2018), *government debt* is forecasted to *grow moderately*, with values below 41% of GDP, taking into consideration budget deficits under 3.0% of GDP, calculated according to EU methodology.

⁵ European System of Accounts

3. POLICY RESPONSE TO MAJOR ECONOMIC CHALLENGES

This chapter includes relevant policies to address some of the major economic challenges signalled in *Country Report Romania 2016*. The response to the challenges linked to the *Europe 2020* objectives is covered in Chapter 4.

The chapter is structured in three sections as follows: *Fiscal and budgetary policy*, *Public administration* and *Business environment and competitiveness*. There are presented new measures, the measures that continue as well as significant developments in the implementation of actions contained in the NRP 2015.

3.1 Fiscal and budgetary policy

Key directions:

- ✓ **Improve the management of public investment**
- ✓ **Increase the efficiency of budgetary spending**
- ✓ **Fight against aggressive tax planning**
- ✓ **Improve tax collection**
- ✓ **Fight against undeclared work**

On 1 January 2016, following a comprehensive process of rewriting, the Law No 227/2015 on Tax Code, subsequently amended and supplemented, came into force. The objectives of this action aimed at simplifying taxation, eliminating dysfunctions, creating a coherent and modern legal fiscal framework, ensuring predictability and sustainable fiscal consolidation. The main provisions which came into force in 2016 regard profit tax, microenterprises income tax, local taxes, social security contributions, VAT rate reduction, broadening the scope of reverse charge, excise duty on alcohol and alcoholic products, eliminating tax on crude oil from domestic production, increasing the excise duty on cigarettes. For 2017, the new Tax Code provides for the reduction of excise duties for diesel fuel and petrol products and for the abolition of the reduced excise duty on diesel used by carriers.

MFP will monitor the budgetary execution for 2016, with the objective that all the main spending institutions fit within the approved budget and that the budget deficit, calculated according to ESA 2010 methodology, stands below 3% of GDP. Thus, the new measures/ legislation initiated by the Parliament and the Government, which increase budget spending or reduce budget revenues, shall comply with the approved budgetary provisions for 2016 (*Law on 2016 State Budget*, *Law on approving the ceilings of indicators specified in the fiscal-budgetary framework for 2016*) and with the *Fiscal Responsibility Law* (No 69/2010), republished.

Regarding the *budgetary calendar for 2017*, the *Public Finance Law* (No 500/ 2002) as well as the *Fiscal Responsibility Law* set the legal framework for drafting the budget and the *Fiscal-Budgetary Strategy*, when parliamentary general elections take place. Thus, for 2016, which is an election year, the budget calendar deadlines are delayed (according to art. 35⁶ of the public finances Law). Also, in case of Government change, the fiscal-budgetary framework from the *Fiscal-Budgetary Strategy* may be revised.

Improve the management of public investment

At the end of 2014, MFP signed a technical assistance contract with WB, aiming to *improve the authorities' capacity of strategic prioritization, preparation and selection of public investment projects*. In December 2015, WB's experts submitted several reports containing methodologies, technical guides and manuals that will help improving the selecting process of investments. Also,

⁶ If the general parliamentary elections are held in the last three months of the year, the schedule is:

a) based on the draft budgets of the main spending institutions and on its own budget, MFP draws up the draft budget laws and the draft budgets for the next year, which will be submitted to the government within 15 days from the new government's investiture;
b) the drafts of the budget laws and of the budget, assumed by the government, are submitted to the Parliament no later than 20 days after the investiture and without exceeding the end of the current year.

WB provided recommendations on strengthening the capacity of the Public Investment Evaluation Unit (UEIP).

Regarding *UEIP's role* is important to note that the Unit analyzes the pre-feasibility studies, technical-economic memoirs or substantiation papers (in terms of affordability and sustainability) and proposes to MFP management the approval or rejection of the main spending institutions requests. Without MFP's approval, the feasibility studies are not carried on.

On the other hand, evaluating the project's preparedness involves applying (by the main spending institutions) the prioritization criteria according to GEO No 88/2013⁷ and sending UEIP the relevant information, before or at the moment of submitting for endorsement to MFP the draft GD on approving the project technical-economic indicators. Also, UEIP analyzes the main spending institutions' proposals concerning the investment projects to be included in the annual budget laws and presents the prioritization results to MFP management, which submits it to the Government for approval by memorandum.

In 2015, MFP published on its website a list of *120 significant public investment projects prioritized* (over 100 mil. Lei) and updated it in February 2016 with information regarding the projects' present value, progress, completion date and budget allocations for 2016, according to the State budget law.

In 2016, WB's recommendations on improving public investment selection will form the basis of some *amendments of the legislation on compulsory methodology for significant projects' prioritization*, strengthening the role of MFP and UEIP to coordinate the line ministries' preparation of new public investment projects. By the end of 2016, UEIP will develop and submit for comments/ approval a draft law amending and supplementing GEO No 88/2013⁸ (May 2016) and a draft GD amending GD No 225/2014⁹ (December 2016).

For a more efficient use of funds allocated from the *National Programme for Local Development (NPLD)*, with the aim of achieving a better alignment of the public investments financed from the State budget with those financed from European funds, *the consultancy reports developed by the WB¹⁰ will be capitalized*, especially the one on *Improving selection criteria for NPLD projects*. There are also envisaged *investment monitoring and encouraging local public authorities, by complementary measures to attain the equipment standards of localities¹¹*.

Increase the efficiency of budgetary spending

In Q4/2016, MFP will start implementing some *mechanisms for increasing the transparency and efficiency of public spending*, which will help creating fiscal space for investments, improving the sustainability of public finance in the medium and long term, increasing the absorption capacity of European funds and the medium term budgetary predictability. This action will involve *analyzing the sectoral public spending*, in order to prioritize and streamline their allocation, *identifying ways of achieving savings* in various items of expenditure and *developing proposals for sectoral spending strategies*. The reports containing proposals for increasing efficiency of public spending will be submitted to MFP management for approval and will represent the technical support for the government sub-committee constituted for increasing the efficiency of public spending.

Also, in order to *improve the management of public debt*, starting from the second quarter of 2016, MFP will develop instruments to increase the efficiency of the process of managing risks associated with governmental debt portfolio and, hence, the efficiency of public spending (representing the cost of debt). In this context, through the technical assistance project SIPOCA10 *Develop the capacity to manage public debt using derivative financial instruments*, MFP will benefit from technical assistance from WB for implementing appropriate policy and operational framework in

⁷ On adopting fiscal-budgetary measures in order to accomplish the arrangements agreed with international institutions and on modifying and completing some normative acts, approved with amendments through Law No 25/2014

⁸ Approved with amendments by the Law No 25/2016

⁹ On approving the methodological norms concerning the prioritisation of public investment project

¹⁰ The project *Coordination and efficient and transparent selection of the infrastructure projects funded by structural instruments and by the State Budget for 2014-2020*

¹¹ According to the *Law on the approval of the National Spatial Plan - Section IV Localities network*

order to use derivatives¹². These instruments will help achieve an optimal foreign currency structure for the government debt portfolio.

Fight against aggressive tax planning

In order to fight against tax planning and tax base erosion, by the end of Q2/2017, MFP will draft and submit for approval a *piece of legislation containing rules on setting the profit tax*, which will counteract the actions of taxpayers that seek to reduce their fiscal burden.

Improve tax collection

ANAF has continued its reorganization process by *rearranging large and medium taxpayers' portfolio, restructuring the large taxpayers' administration directorate, establishing medium taxpayers' administrations at regional level and establishing a directorate of enforcement for special cases*. As a result of this extensive reorganisation process, the main tax administration indicators registered a real improvement in 2015.

The VAT registration procedure was improved in 2015, being preceded by considerable control actions that targeted the withdrawal of VAT code for an important number of “missing trader” companies. Also, progress was made concerning the *fight against VAT fraud, stimulating tax receipts' issuance/ request, broadening the use of risk analysis, broadening tax information sources and raising awareness on tax obligations*.

In 2016, *the Fiscal Anti-Fraud General Directorate (DGAF)*, will continue its operationalizing process, by organizing recruitment competitions for antifraud inspectors; this will increase the number of audits in areas with high risk for evasion and the voluntary compliance degree.

In the next 12-18 months, ANAF's reorganization will focus on *strengthening its workforce*, both by increasing the number of staff and by redistributing it for an optimal functioning of the structures, in particular the new structures created for large and medium taxpayers (following the approval of GEO No 41/2015¹³ and GD No 816/2015¹⁴).

The efforts to *fight VAT fraud*, including cross-border fraud, will continue in 2016 by increasing DGAF controls aiming to eliminate evasion chains and “ghost” companies, monitoring road traffic of goods from intra-Community acquisitions, increasing the use of administrative cooperation instruments including multilateral controls, identifying transactional circuits involved in large-scale evasion in new areas, like intra-Community and national trade with electronic devices and second-hand cars.

In the context of the new VAT registration procedure, *the audits based on requests for assessment of taxpayers' intention and ability to conduct economic activities involving VAT* will continue while the registration will be conditioned by the criteria set in ANAF President Order (OPANAF) No 3840/2015. Also, *the taxpayers registered for VAT in 2015 will be monitored*, in order to reduce the requests of taxpayers not fulfilling legal requirements.

Reflecting a proactive attitude concerning VAT fraud, the procedure for cancelling the VAT purposes registration (OPANAF No 3331/2015) will be amended, following the assessment of taxpayers' intention and ability to conduct economic activities involving VAT.

In order to stimulate tax receipts' issuance/ request, spot checks concerning the use of electronic cash registers will be intensified, especially in areas with high risk of noncompliance.

For 2016, ANAF also plans to *further increase the share of tax audit activities based on risk analysis*, which will increase their efficiency and raise the additional amounts set by tax inspectors. In addition, the controls will be intensified for taxpayers identified with a tax risk associated to transfer prices.

In terms of *improving local tax collection*, MCSI through AADR offers as an alternative tax collection instrument, the *National Electronic System of Payment (ghiseul.ro)*, through which taxes

¹² According to GD No 1470/ 2007, in order to manage the risks associated with government debt portfolio, MFP can sign ISDA Master Derivative Agreements with financial institutions, on the basis of which derivative instruments can be used.

¹³ Amending and supplementing certain acts, as well as regulating some budgetary measures

¹⁴ Amending and supplementing GD No 520/2013 on the organization and operation of ANAF, and on amending Annex 2 of GD No 34/2009 on the organization and operation of MFP

set by public institutions enrolled in the system can be paid electronically. In 2016, the instrument *ghiseul.ro* will be further developed by *extending it to central level taxes* (enrolling ANAF).

Fight against undeclared work

In 2015, ANAF extended at national level the *pilot project regarding the under/un-declared wages and tax evasion*, (launched in 2014) recording positive results: 950 tax inspections of medium taxpayers were carried on and the results of tax inspections for legal persons grew by 36% in 2015 as compared to 2014, important increases being remarked in the areas of tax on wage income – over 300% and social contributions – over 180%. The experience accumulated in this project and the methodology developed for this type of controls will be used in the current fiscal inspections verifying social contributions and tax on wage income.

In order to reduce undeclared work, broaden tax base and ensure basic social security needs for workers in areas like domestic or seasonal/ occasional work, the government plans to introduce a simplified system of payment consisting in a services ticket. A parliamentary initiative¹⁵ in this regard is being discussed in the decisional chamber.

¹⁵ PL-x No 40/2015 Draft law on a services ticket for domestic and occasional/ seasonal works

3.2 Public administration

Key directions:

- ✓ **Continuing the decentralization process**
- ✓ **Prioritizing Government policies and strategic planning**
- ✓ **Ensuring free access to information of public interest and increasing transparency in the decision-making process**
- ✓ **Civil service management and skills development of the public administration personnel**
- ✓ **Better regulation**
- ✓ **Territorial development**
- ✓ **Improving the housing conditions**
- ✓ **Strengthening the absorption capacity of the European funds**
- ✓ **Improvement of e-government solutions**
- ✓ **Continuing the reform of the public procurement system**

Public administration reform focuses on three main pillars: (i) **civil service reform** whose objective is to increase the professionalism of human resources employed in the civil service, to ensure the stability of the institutional and legal framework, to remove the exemptions and derogations, to strengthen the preventive anti-corruption policy and to make a clear distinction between the positions of public dignity and those of executive management, (ii) **central public administration reform**, aiming to increase the efficiency, performance and stability of the public policy framework and of fiscal-budgetary framework at central level, to place the citizen at the centre of the public service delivery system, especially by administrative simplification and reduction of bureaucracy, (iii) **local public administration reform**, having as objective strengthening the capacity of the local authorities to provide and generalize the access of citizens to quality public services and to sustain the local economic development.

A significant role in addressing the reform requirements of the public administration is played by the Operational Programme *Administrative Capacity 2014-2020* (OPAC) which will finance those projects designed to produce better public services, investments and quality regulations, specialized training of the public servants, a transparent and efficient/effective management, as well as predictable, simple and clear functioning procedures¹⁶. To this end, reforming this field should be focused notably on the principles of transparency, predictability, responsibility/adequacy to the needs, all these being confined to public interest.

In order to have, in Romania, a public administration closer to the citizen, able to offer quality services, the Government will undertake measures to **continue the decentralization process**. In order to ensure a predictable, evidence-based and efficient decentralization process, there will be established the *legal framework* – improving the legal provisions for decentralization (mainly by detailing the legal provisions referring to the impact assessments on the transfer of responsibilities, the pilot-phases and the elaboration of cost and quality standards for the decentralized public services) – May 2016, as well as the *strategic framework* – the *General Strategy for Decentralization*¹⁷ and the related action plan – July 2016. The action plan of the *General Strategy for Decentralization* will be implemented starting July 2016.

Strengthening the process of **Government policies prioritization** and of **strategic planning** remains one of the goals of the Romanian authorities. Thus, SGG/CPM continues to *implement the Annual Working Plan of the Government* (PALG) and to *render operational the „Strategy Unit”* in order to increase the predictability of the decision making-process.

¹⁶ www.fonduriadministratie.ro

¹⁷ Framework document which sets out the strategic strands of the Government on the continuation of the decentralization process and aims mainly to analyze the opportunity of the transfer of responsibilities from the level of central public administration to the level of local public administration authorities

The implementation of PALG 2015 was reflected in an evaluation report, finalized in January, this year. PALG 2016, comprising the main priorities of public policy and normative acts identified by the ministries, was presented in the Government meeting on 18 February 2016. These priorities represent the basis of the legislative program for 2016, prepared by the Department for Relation with Parliament. Including in a single document the national priorities, correlated with the European priorities and the budgetary ones, will ensure a better coordination of the activities at the Government level, as well as a high degree of transparency in the act of governing. In Q1/2016, SGG/CPM started to implement a project¹⁸ funded by OPAC for rendering operational the „Strategy Unit”. This project mainly aims to increase the capacity of strategic planning and to develop an integrated strategic management system to measure the impact of programmatic documents in achieving the strategic goals.

*Extending the strategic planning system at the level of ten ministries*¹⁹, through a project²⁰ financed under OPAC, represents another action of SGG/CPM to improve the decision-making process, to increase the quality of public expenditure and to enhance the capacity of the Centre of Government and institutions in the field of strategic planning.

The Romanian authorities also pay attention to **ensure the free access to information of public interest and to increase transparency in the decision-making process**, MCPDC analyzing the opportunity to review the legal framework specific to this area. To put in practice this measure, the approval of the project²¹ fiche and the signing of financing contract are set out in Q2/2016. Consequently, public debates on the opportunity to amend and complete the *Law No 544/2001 on free access to information of public interest* and *GD No 123/2002 approving the Methodological Norms* for the enforcement of this law will be initiated. In order to practice participative and open governance, with the same standards at all levels of the Executive, MCPDC will *monitor the implementation of the Memorandum “Increasing transparency and standardizing the posting of information of public interest”*. This measure will contribute, inter alia, to the transparency of the institutions’ activity, to increasing the citizens’ access to information of public interest, to improving the processes of structuring and communicating the information in the public space, as well as to unifying the law enforcement.

At the same time, MDRAP pays a special attention to *finalizing the Administrative Code*, as a legal tool designed to ensure a predictable, coherent and stable legal framework. This code, whose preliminary theses have been approved by the Government in March 2016²², aims to systematize and optimize the specific legislation, by removing the contradictory and parallel legal provisions, providing a unitary terminology for the same legal realities, institutions, principles, concepts and by solving the difficulties resulting from the application of the current regulations. Also, MDRAP envisages *developing a methodology to assess the impact of implementing the quality management systems and tools in public administration*²³; this action focuses on the improvements made in functioning of the authorities and institutions, as well as in delivering public services, due to the use of quality management²⁴.

In order to redefine the strategic, regulatory and institutional framework regarding the **civil service function management and skills development of the public administration personnel**, the draft GD for approval of the *Strategy for Development of the Civil Service 2016-2020* and of the *Strategy*

¹⁸ *Develop the capacity of strategic programming by setting up, at the Centre of Government, a structure type “Strategy Unit”* (the estimated period: 27 months; the beneficiary is SGG by CPM).

¹⁹ MAI, MADR, MDRAP, MENCS, MECRMA, MMAP, MFP, MMFPSPV, MS, MT (including institutions subordinated to these ministries)

²⁰ *Extending the strategic planning system at the level of ministries* (implementation period: 2016-2019)

²¹ *Coherent mechanism of accessing open public information by standardizing and unifying the exceptional situations that restrict the right of free access to information of public interest* (project funded within OPAC and implemented by MCPDC in partnership with SGG/CPM)

²² GD No 196/2016, MO No 237/31 March 2016

²³ The methodology is expected to be completed in March 2018, by OPAC 2014-2020; the financing application will be filed in 2016.

²⁴ The *Action Plan for gradual implementing the quality management at the level of Romanian public institutions and authorities* was approved by CNCISCAP on 16 March 2016.

on *Professional Training 2016-2020*²⁵ and their action plans were completed and resubmitted to MDRAP in order to be acknowledged by the Vice Prime Minister, the minister of regional development and public administration and to go through the approval circuit. The strategies aim at ensuring a coherent and performance based management of the civil service and of the civil servants, focused on the modernization of recruitment, selection, promotion, assessment of individual performance and motivation in the public sector and at promoting a policy of civil service management and of civil servants based on professionalism and integrity.

In order to ensure consistency between the *civil servants statute* and the new vision of managing human resources in the administration, the draft *Law amending and supplementing Law No 188/1999 regarding the statute of civil servants* will be completed in July 2016. At the same time, to strengthen the role of ethics advisor at the level of public authorities, the review and completion of the draft law amending and supplementing *Law No 7/2004 on the Code of Conduct for Civil Servants, republished* is envisaged by the end of December 2016.

To improve the degree of professionalism of the public administration personnel, ANFP plans to assess the training needs and requirements for public institutions from central and local administration as well as to organize professional training programmes for various categories of functions in the administration and for other interested parties. In the same context, to develop the skills of persons who will hold the position of senior civil servants, ANFP continues holding the specialized training programme for occupying such a position.

In order to improve the use of human resources in public institutions, the aim is to streamline the management of civil service and civil servants by using the *Integrated Civil Service and Civil Servants Record System*. This system will provide real-time information of the status both of the civil servants from the central and local administration as well as of the status of the public institutions with regard to human resources management. To ensure constant information to public authorities ANFP will continue *monitoring the compliance by the civil servants with the rules of conduct and the implementation of disciplinary procedures*.

To modernize the public administration and to increase its performance, the measures in the field of **better regulation** will be continued. Thus, a change of legislation in order to establish the *mechanism for quality control of regulations* is foreseen. Another measure, which will contribute to the improvement of the decisional process, is to *increase ministries' capacity of elaborating impact assessments (RIA)*²⁶. This measure will be implemented through a project funded under OPAC that implies the elaboration of impact assessments, as well as the organization of training courses in the field and events to increase awareness at decisional level on the importance of impact assessments. As regards reducing bureaucracy for citizens, the *integrated plan to simplify administrative procedures for citizens* was approved by CNCISCAP in March 2016. A *mechanism to periodically assess the impact of the simplification measures*²⁷ in view of adjusting the plan on the basis of the observed trends will be created. The framework-mechanism for impact assessment will be developed in the first part of 2016. Its completion with matters related to the finalization of indicators and methodology for data interpretation and correlation will be made through a project whose financing application will be submitted to the Managing Authority (AM) of OPAC this year.

In view of ensuring **territorial development**, the *Territorial Development Strategy of Romania* and the *Integrated Strategy for Sustainable Development of the Danube Delta* – long-term programmatic documents which establish development objectives, concrete measures, actions and projects at territorial level – are going to be submitted for approval in 2016. Also, *the elaboration of the Public Policy on Urban Development* is envisaged until October 2016. To review the legal framework on the optimization of the network of urban and rural localities, the *draft law on revising the National Spatial Plan, Section IV Localities network* is expected to be approved until

²⁵ The training of human resources from the public administration will be managed through a new public entity with specific attributions in the field - the National Institute for Administration. Its establishment is foreseen as a measure/ action in the draft *Strategy on Training 2016-2020*.

²⁶ *Regulatory Impact Analysis/ Assessment*

²⁷ The estimated completion deadline is the year 2018.

June 2016.

In order to **improve the housing conditions** at national level, the implementation of actions set out in the NRP 2015 will continue. Until the end of July 2016, the *National Housing Strategy* is going to be finalised by MDRAP, based on the results of the project *Coordination and efficient and transparent selection of the infrastructure projects funded by structural instruments and by the State Budget for 2014-2020*, completed in December 2015. The draft *Law on the setting up, organizing and functioning of the homeowners' associations and for managing condominiums* was updated and re-submitted for consultation to the main nationally representative associations and federations in February 2016, and the draft of the new *Housing law* is under elaboration.

During 2015, for **improving the management of the European funds**, MFE coordinated the implementation of the *Priority Measures Plan for increasing the absorption capacity of 2007-2013 structural and cohesion funds and 2014-2020 European structural and investment funds*. As regards the implementation of this plan, among the registered results there are: the availability of funds for payment of the reimbursement requests submitted by beneficiaries in order to avoid the loss of important funds by 31 December 2015, as a result of the automatic decommitment²⁸ by EC; phasing 80 infrastructure projects - most of them in the environment and transport sectors - in order to finalise them under 2014-2020 programming period; the identification of retrospective projects to be financed under 2007-2013 operational programmes and continuing the use of the international technical expertise by developing the technical assistance projects with WB, EBRD and EIB.

All the programmes for the implementation of 2014-2020 ESIF in Romania were approved by EC in 2014-2015: *OP Human Capital*, *OP Administrative Capacity*, *OP Competitiveness*, *OP Technical Assistance*, *OP Aid to the Most Deprived*, *National Programme for Rural Development*, *Regional OP*, *OP Large Infrastructure* and *OP Fisheries and Maritime Affairs*. Also, 12 operational programmes for *European Territorial Cooperation* have been approved.

In order to ensure the interventions coherence, complementarities and synergies in all ESIF implementation phases, a three levelled coordination system for the implementation of the Partnership Agreement (AP) has been set up: (i) the strategic level of coordination ensured by the *Coordination Committee for Management of the Partnership Agreement* (CCMAP); (ii) the thematic level of coordination ensured by five sub-committees²⁹ related to the five national development challenges established in AP and (iii) the operational level of coordination ensured by functional working groups³⁰. In 2015, CCMAP was set up and the organisation of the thematic coordination sub-committees was initiated (Human Capital and Transport), the activity of the functional working groups focusing on the process preparation of ESIF implementation.

Based on GD No 398/2015³¹, the institutional framework for coordination and management of 2014-2020 ESIF and the baseline for the management and control systems have been set up; MFE coordinates the designation process of authorities and public entities involved in the management of ERDF, ESF, CF, EMFF, IPA II and ENI, the activity of the designated institutions being focussed on the launch and implementation of the first calls for proposals related to the new programming period.

As regards the project portfolio for 2014-2020 programming period, for the OPLI, the portfolio is annexed to the programme; for OPTA, the *Monitoring Committee* has approved the *Plan of projects* for 2015 and 2016. At the ROP level, in order to ensure the justification of the interventions, county roads proposed for funding were prioritised and the urban mobility plans for the towns Growth Poles and Bucharest were finalised. For the other programmes, the plans of projects are designed by each AM, according to the sectoral strategies and correlated to the calls timetable. Concerning the call for proposals for 2014-2020 programming period, 15 calls have been launched in 2015 for:

²⁸ Temporary allocated sums from the privatisation revenues to the AM as authorising officer: 10.55 bln. Lei

²⁹ SCT Competitiveness and Rural Development, SCT Human Capital, SCT Infrastructure, SCT Natural Resources, SCT Administrative Capacity

³⁰ In these partnership structures are involved both the line ministries in charge with relevant public policies, the MAs, MFP and representatives of the social partners, based on thematic

³¹ GD for designing the institutional framework for coordination and management of the European structural and investment funds and for the sustainability of institutional framework for the coordination and management of the 2007-2013 structural instruments

OPC (8 calls), OPAC (2 calls), OPTA (on going call), *Interreg V-A Romania-Bulgaria Programme* (2 calls) and *IPA II Romania- Serbia Cross Border Cooperation Programme* (2 calls).

In order to **strengthen the absorption capacity of the structural funds** a set of measures have been foreseen: *ex ante conditionalities monitoring, simplification of Guides for beneficiaries, of the projects implementation related procedures and the standardisation of documents by all relevant institutions, finalisation of accreditation process for the authorities involved in the ESIF management system*, all these measures focusing on: the *ex ante* conditionalities fulfilment (in order to attract European funds in the current programming period), the total transparency in implementation of European projects and programmes, the support of beneficiaries and the acceleration of operational programmes implementation financed under 2014-2020 ESIF.

To improve e-government solutions, MCSI aims to initiate the projects from the *National Strategy on Digital Agenda for Romania 2020* (NSDAR) by launching the first phase of the project establishing the framework for the development of e-government tools (2016-2019 multiannual project). The project aims to create the horizontal framework for development of e-governance and administrative and legislative capacity to define common standards and promotion of open access for citizens and business environment to quality electronic services. In addition, by mid-2016, the implementation of the project *Environmental Information System for performing collaborative development of public procurement* (SICAP) will be completed.

Regarding the use of ITC, MCSI continues *the completion of the national interoperability framework* to streamline public activities, in order to provide digital services to citizens. From a functional perspective, the national interoperability framework is considering implementing unique authentication in the public administration systems, unified access to electronic public services, defining the primary databases and the way to interconnect them, defining the collaboration mechanisms between the public administration systems.

As regards the setting up of a national cybersecurity system (NSCS), MCSI has drafted a new *Law on Romania's cybersecurity* that is on ministry's website for public consultation. Its adoption, defining the architecture and requirements of the NSCS as well as drafting the operational documents are expected by the end of 2016. Also, the operational capacity of CERT-RO (Romanian National Computer Security Incident Response Team) will be further developed to monitor and implement the principles provided by EC in the legislation for cybersecurity as well as to draft amendments to improve technical expertise. The main activities performed by CERT-RO having direct impact on the security of networks and information systems, are: (i) developing the pilot project for a new version of an Early Warning System, (ii) completion of the project *Advanced Cyber Defence Centre* developed under the Framework Programme 7 and co-financed from European funds, (iii) inauguration of the pilot project Centre for Innovation in Cyber Security.

In view of **continuing the reform of the public procurement system**, the responsible institutions will focus on the implementation of the measures³² comprised in the *National Strategy in the field of public procurement*, approved by GD No 901/2015. To ensure coherence and consistency of the legislation interpretations by the institutions with specific attributions in the field of public procurement³³, the *Cooperation Protocol* within the institutional coordination mechanism entered into force on 9 November 2015.

The legislative package for the transposition into national legislation of the new European directives³⁴ in the field was approved by the Senate on 9 February 2016 and is currently being debated at the level of the commissions of the Chamber of Deputies.

For ensuring a strategic dimension of the public procurement policy, there are envisaged: the *adoption of clear, coherent and visible methodologies /procedures for formulating and promoting this policy*, as well as *the development of key indicators* enabling the monitoring and assessment of

³² According to the Prime Minister's Decision No 236/2015, the Interministerial Committee for Public Procurement (coordinated by MFP) presents, at the request of the Prime Minister, progress reports on the stage of implementation of measures included in the *National Strategy in the field of public procurement*, as well as regular briefings

³³ ANAP, MFE, MFP, CNSC, CCR, AA and MDRAP, MADR (acceding institutions)

³⁴ Directives 2014/23/EU (concessions), 2014/24/EU (classic procurement), 2014/25/EU (procurement in the utility sectors)

the way the public procurement system works, including the share of green procurement, energy efficiency, innovation and sustainable procurement. Another foreseen measure is *the increase of the administrative capacity of the contracting authorities* through: the elaboration by ANAP of guides and standard tender documentations; professionalization of the persons responsible for public procurement; the setting up of centralized public procurement units for the central administration and encouraging the consortia of contracting authorities at the level of local administration; improving the capacity of the contracting authorities of using electronic procedures.

By December 2016, for preventing corruption in the field of public procurement, the implementation of the following measures is envisaged: (i) *reforming the ex-ante control system*, respectively extending the ex ante control of ANAP, performed on a sample basis, to the entire tender documentation, including the mandatory contractual clauses and the technical specifications; (ii) *improving and extending the system of preventing conflicts of interest to all procurement procedures* (the PREVENT system)³⁵; (iii) *ensuring guides for the contracting authorities on the conflict of interest prevention and identification* in order to limit the impact on the market³⁶.

In order to **reduce and prevent corruption at all levels of public administration**, the *elaboration and approval of the National Anticorruption Strategy (NAS) 2016-2020* are among MJ priorities this year. One of the main prerequisites of the new NAS is to ensure the institutional and legal stability in the fight against corruption. The document proposes, inter alia, to enhance the already established good practices, such as the implementation of the integrity sectoral plans, the bi-annual self-evaluation mechanism on preventive measures against corruption, the thematic evaluation missions (*peer review*), etc.

³⁵ The operationalization of the ex ante control mechanism (the PREVENT system) is going to be included as a main objective in the *National Anticorruption Strategy 2016-2020*

³⁶ Defining the concept of sensitive position, the approach that persons in sensitive positions should follow, the risk management.

3.3. Business environment and competitiveness

Key directions:

- ✓ **Creating a favourable environment for public and private investments**
- ✓ **Diversifying the financial instruments for SMEs**
- ✓ **Developing the sectors with growth potential**
- ✓ **Improving public enterprises performances**

3.3.1. Creating a favourable environment for public and private investments

The Romanian Government is committed to *create a favourable environment for public and private investment*, within an extensive process of de-bureaucratization and simplification of the administrative procedures. By the end of 2020, to reduce the competitiveness gap against EU Member States, the Government assumed specific targets for the simplification / optimization of the procedures that sustain the SMEs/enterprises along their lifecycle³⁷. In February 2016 a consultation process regarding the most bureaucratic administrative procedures was launched through the www.maisimplu.gov.ro web site³⁸.

In order to improve administrative procedures, through ESIF 2014-2020 the investment for developing a *new generation of electronic interoperable one stop shops* **Open data like** will be sustained. To render operational a coordinated mechanism for obtaining and paying on-line some documents with ESF funds, the development of the electronic procedures for *the simplification of some horizontal and trans-sectoral procedures for business environment (one stop shop model)* continues. The aspects mentioned in the *Master Clean Report* and in the last *Report on the Performance of the Points of Single Contact (PSC)* will be solved in order to *develop and improve the PSC with new capabilities and functionalities* requested by EC.

To sustain the public and private investments MDRAP foresees the simplification of the procedures for obtaining the construction authorization as following: *upgrading the systems already implemented through the projects Territorial Observatory and PICSUERD* together with the subsequent collection and validation of spatial data aiming at *developing gradually at national level the e-Government system for Planning and Construction Authorization; standardizing the data sets of the documentations for the Spatial and Urban Planning; drafting the Code for the Spatial and Urban Planning and Constructions* and *creating an application for accessing the legislation, technical regulations, and the approval and authorization flows* as well.

Through ERDF 2014-2020 funds and the ANCPPI own funds, the process for *improving the cadastral activity* aiming at finalizing the systematic registration of land process³⁹ and *the development of the Integrated System of Cadastre and Land Book* will continue. To accelerate the land registration process by Q4/2016, three normative acts will be in force aiming at: setting up the unique criteria harmonized with the ROP 2014-2020 criteria for the prioritization of the UAT in accessing the funds provided by the *National Programme for cadastre and land book*; co-financing the systematic registration works launched by UAT from their own funds, and defining the structure, organization and functioning of the Electronic Register of Streets Nomenclature as well. The draft *Law on the Integrated System for Land Registry and Cadastre* will be subject to adoption by the Parliament in Q4/2016.

The single interface for the integration on the interoperability platform of *e-Terra 3*⁴⁰ on recording

³⁷ The *Better Regulation Strategy for 2014-2020, Annex 1*. The data in Annex 1 are referring to the *Doing Business 2014 Report*. According to *Doing Business 2016 Report*, Romania significantly improved its position reaching the 34th place as compared to *Doing Business 2014 Report* (73 place), especially for the payment of taxes, registering property and registering businesses.

³⁸ Among the procedures that could be simplified the following were identified: the steps for registering the enterprise, obtaining the judicial record, etc.

³⁹ 3,130 UAT, out of which 793 UAT in rural areas that will be financed by ROP until 2023

⁴⁰ The platform ensures the regulatory compliance and the main route of the web services for automatic interaction with other institutions aiming at securing the processing capacity and the valorisations of the geospatial specialized information (GSI). The data quality and their migration into the system, the system functionalities implemented and the E-Terra 3 online services interaction for the users are in the testing phase. The Terra E-3 platform is part of the www.geoportal.ancpi.ro.

geospatial cadastral parcels was created and the actions set out in the *Action Plan for creating and updating the National Infrastructure for Spatial Information in Romania*, approved by GD No 38/2016, which allows uploading geospatial information into the system started to be implemented.

Regarding the *underdeveloped broadband in rural areas*, the draft law concerning the physical infrastructure of electronic communications networks for transposing Directive 2014/61/EU on measures to reduce the cost of deploying high-speed electronic communications networks will be initiated by MCSI. This regulation seeks to ensure access to the existing physical infrastructure of the network operators, the transparency of the physical infrastructure (access to minimal information regarding this infrastructure), coordination of civil works, transparency of the planned civil engineering works, the procedure of granting construction authorisation and the access to internal physical infrastructure.

Concerning *the insolvency*, starting 16 July 2015 the new provisions on *improving and simplifying the procedures on the dissolution, liquidation and removal from the trade register* (stipulated by the Law No 152/2015)⁴¹ are being applied. In 2015 the number of the insolvency proceeding openings registered into the register of the insolvency proceedings bulletin (IPB) significantly decreased, respectively by 50% over the previous year⁴², and the interconnection with insolvency registers in seven EU Member States was achieved.

As regards *the enterprises registration*, the *Law No 152/2015 on the modification and completing some normative acts in the field of registration within Trade Register* was adopted and the services dedicated to professionals through info kiosk became operational. The ONRC will continue the development of the online services offered to the public by introducing a new mechanism to optimize procedures and to increase the access of the Romanian enterprises to the information regarding their partner enterprises from the EU Member States.

To increase enterprises' competitiveness, ***the anticompetitive barriers identified in the national legislation in the key sectors with potential of growth⁴³: agro-food products processing, freight transport (road and maritime), constructions (construction materials and designing on competitive basis of the public procurement for the construction works) are foreseen to be eliminated*** by December 2017.

In order to increase the consumers and retailers confidence in online transactions on the national market, MCSI envisages the implementation of a project aiming at improving the rules, the procedures and the mechanisms needed to further develop the electronic commerce. The project goals are the following: (i) fostering the development of an efficient and secure e-commerce system for citizens and business environment by improving the administrative capacity of the responsible ministries for coordinating and implementing the strategic lines for the development of electronic commerce mentioned in the *National Strategy on Digital Agenda for Romania* (NSDAR); (ii) increasing the quality of regulations in the field of electronic commerce by carrying out a relevant analysis of the regulatory framework; (iii) improving MCSI's coordination mechanisms in order to efficiently and effectively implement the actions set out in the NSDAR in the field of electronic commerce.

⁴¹ Modifying and completing some normative acts in the field of the registration into the Trade Register. This includes transferring of power for the extension of the liquidation period from the court to ONRC, with impact in relieving activities of the courts and reducing the waiting time of the enterprises in solving cases, reducing the time for the appointment of the liquidator, and simplifying the formalities for removal by performing the advertising on the ONRC portal

⁴² Between 1 July 2014 and 15 March 2016, according to IPB, 4469 bankruptcy proceedings were solved (general procedure and the simplified procedure). Out of these, only 0,002% (8 procedures) were solved in a period between 1 year and 6 months and 1 year and 9 months. 10.022 bankruptcy proceedings are ongoing (general procedure and the simplified procedure), out of which only 0.022% represents proceedings lasting settlement between 1 and 6 months and 1 year and 9 months. In both cases, the duration of the settlement reaches maximum one year and 9 months

⁴³ Between 2014 and 2015, within the project *The impact assessment on competition of the regulations in force in three key sectors of the Romanian economy* developed by CC in collaboration with CPM, MFP and OECD, 895 regulations were scanned, through which 81 potential restrictions on competitive environment in construction sector, 85 potential restrictions on competitive environment in freight transport sector and 45 potential restrictions on competitive environment in agro-food processing sector were identified.

3.3.2. Diversifying the financial sources for SMEs

To increase SME access to credits, implementation of the financing scheme⁴⁴ with allocations from the State budget, foreign sources and 2007-2013 ERDF funds, through which 7,725 SMEs⁴⁵ were sustained, continues.

In 2016 for sustaining the *start-ups* created by young entrepreneurs, two national success schemes⁴⁶ with credit components will be implemented by MECRMA.

To sustain the investment projects of SME two new financial schemes with 2014-2020 ERDF allocations, respectively a grant scheme for sustaining 975 micro-enterprises from urban areas and a guarantee scheme under the Operational Programme SME Initiative (OPSMEI) for sustaining 2,500 SME will become operational.

Following the adoption of Law No 120/2015 regarding the stimulation of individual investors - "business angels", the actions to stimulate the creation and development of additional capacity for private equity investment (mezzanine capital, venture capital for growth), will continue.

In order to increase the accessibility of enterprises, especially of SME to the financing sources, an integrated and simplified framework for obtaining comprehensive and useful information regarding the various financing instruments from ESIF funds and other sources, including counselling for these instruments through a one stop shop mechanism, will be created.

3.3.3. Developing the sectors with growth potential

To revive, strengthen and diversify the industrial base the implementation of investment projects financed by ERDF 2007-2013 continues. There are financed 145 business support structures (out of which 24 were clusters and six of them were competitiveness poles) and 4,324 projects proposed by companies (out of which 4,143 were SMEs) and created 30,692 new jobs. Through the national programmes run by MFP, 31 investment projects proposed by large enterprises, totalling 857.75 mil. Euro, were completed.

For developing more competitive goods and services markets, the investment projects aiming at fostering *the development of the 10 competitive economic sectors*⁴⁷ will be sustained. In order to implement the National Strategy for Competitiveness 2015-2020 (NSC) the Plan for Economic Development of Romania on medium and long term will be elaborated and the Inter-ministerial Committee for Competitiveness (ICC)⁴⁸ will become operational in Q2/2016. The objective of ICC is to monitor and evaluate the implementation of NSC and to formulate the strategic guidelines for improving the sectoral policies in order to increase the competitiveness of industrial sectors.

Funded from the State budget, the State aid scheme for stimulating investments with major impact on the economy will continue, currently being implemented nine projects for which the total value of the State aid totalling 98.53 mil. Euro. In addition, in 2016 to purchase high-tech equipment, the tax exemption on reinvested profit⁴⁹ was extended to the production / purchase of computers and peripheral equipment, software, machines, cash registers, controlling and billing appliances.

In order to increase labour productivity and competitiveness of enterprises / farms in processing and marketing of agricultural and food products the investments for the development of farms / farm diversification and integrated agro-food chain continued with EARDF 2014-2020 support. 225 investment projects aiming at increasing the competitiveness of farms / fruit-growing holdings

⁴⁴ The Credit Guarantees Programme for SME, the credit guarantee component of the JEREMIE Initiative with subsidised rate and the Romanian Swiss Programme for SME.

⁴⁵ The number of SME beneficiaries was higher with 6,558 enterprises than in 2015

⁴⁶ The Programme for stimulating the setting up and the development of enterprises by young debutants in business (SRL-D) and the Program for developing entrepreneurial skills among young people and facilitating their access to finance (START)

⁴⁷ The competitive sectors identified by the National Strategy for Competitiveness 2014-2020 are the following: tourism, textile and leather, wood and furniture, creative industries, automotive industries, food and beverage industry, health and pharmaceuticals, energy and environment management, bio-economy.

⁴⁸ On 30 March 2016, the GD for the setting up of the ICC was approved in the Government meeting.

⁴⁹ By July 2015, 2,403 taxpayers have filed the form No 101 Declaration on corporation tax (row 45.2.1 Income tax exemption). In 2014, they declared an amount of 184.885 mil. Lei

and processing / marketing of agricultural products⁵⁰ (includes the projects carried over from the previous programming period into the new program to be completed) totalling 71.90 mil. Euro, are implemented. In order to support these investments, a credit fund with allocation of resources from the EARDF 2014-2020 will become operational with the EIF support.

To ensure a better integration of farms and businesses from rural areas into the local communities the integrated projects initiated by LAG⁵¹ for drawing up rural development strategies (RDS) continues to be supported. 171 projects for drawing up RDS (that will be implemented in 2014-2020 period), amounting 2.3 mil. Euro and 2,297 projects for implementing the actions foreseen in RDS approved in the 2007-2013 programming period (uncompleted projects from the 2007-2013 Programme were transferred to the new Rural Development Programme to be completed), totalling 40.15 mil. Euro, were sustained. For the diversification of the agricultural activities and to improve the competitiveness of the rural economy as well *the pilot projects and the development of new products, practices and technologies*⁵² proposed by the operational groups⁵³ will be financed.

In order to *increase farms viability and competitiveness of all types of agriculture* EARDF 2014-2020 finances *the setting up of the producer groups in the agricultural sector, including the correspondent sub-measure for fruit growing sector*. In addition, the Government sustains the *legislative proposal for amending the Law No 56/2004 on agricultural cooperatives and on establishing its implementing measures* that will be adopted in June 2016. The legislative proposal aims at an efficient use of funds received from the State budget or the EARDF 2014-2020 for the stimulation of the association.

To ensure the economic viability of farms, agricultural holdings and forestry, the investments in *modernization of existing irrigation infrastructure* aiming at attaining the higher quality parameters in functioning of the system thus contributing to the efficient use of water resources and to reduction of the negative impact of the climate change on the competitiveness of the agriculture and forestry are supported from 2014-2020 EARDF. Following the 2015 call for proposals, 86 projects worth 87.11 mil. Euro public amounts were submitted. By the end of February 2016 the selection phase was not organized thus projects for the session held in 2015 were not selected or contracted. Through the transition procedure, 70 projects, totalling 13.99 mil. Euro, were transferred from the 2007-2013 Programme into the 2014-2020 Programme for their completion.

To *sustain cultural and creative industries*⁵⁴ in another important sector of the national economy provided by NSC, *the 2016-2020 Sectoral strategy on culture and cultural heritage*, the *White Paper of the cultural and creative sectors* and the *Code on national heritage* will be finalized in 2016 and the *CULTIN Programme* aiming at sustaining 25 projects in this field started to be implemented from May 2016.

To create a critical mass of active SMEs and increase their involvement into the local/ regional economies, *the support services development for stimulating the entrepreneurship and the creativity among the SMEs* will be sustained. To increase the managerial performance of the farmers, micro-enterprises and small enterprises in rural areas and for the implementation of the competitive production practices by the producer groups, the investments for *developing the agricultural counselling services* will be financed through 2014-2020 EARDF.

To develop entrepreneurial skills and the internationalization of SMEs the implementation of the *Romania HUB Programme* supported from national resources will continue and the *Programme for*

⁵⁰ NPRD – Sub-measures: 4.1 Investments in agricultural holdings, 4.1a Investments in fruit-growing holdings and 4.2 Investments in processing/marketing of agricultural products

⁵¹ Local action groups (LAG) are active private-public partnerships comprised the representatives of public and private sector and civil society, appointed from a homogeneous rural territory, which will have to meet a number of requirements regarding the structure, the territory covered and that will implement an integrated strategy for local development

⁵² Sub-measure 16.1. support for the establishment and operation of operational groups (OP) that will draw the pilot projects, new products, sub-measure 16.2 Support for pilot projects, and for the development of new products, practices, processes and technologies

⁵³ Operational groups are comprised from a agro-food/forest partner, a RDI partner and other relevant partners (private enterprises and NGOs)

⁵⁴ The creative industries contribute by 9 billion Euro to GDP (around 6%) and to the creation of 140,000 jobs, according to the estimations for 2015 of the Association *Oricum*

integrated export services for the Romanian SMEs will start its implementation.

To increase the competitiveness of enterprises and the attractiveness for foreign investors, a special attention will be paid to the development of the transport and energy sectors.

In the **transport sector**, ensuring the prerequisites for increasing the absorption of the available European funds and for the development of infrastructure in an efficient and sustainable manner is envisaged, leading to an improved accessibility and connectivity. The main measures relates to: *the adoption of the General Transport Master Plan* that provides the long term strategic planning (until 2030) for a balanced and sustainable development, in line with the strategic objectives of the trans-European transport infrastructure in Romania and the efficient use of the available financial resources; *the optimization of the organizational structure of MT for a better management of the European funds and of the major infrastructure projects*, by setting up and rendering operational a structure designed to ensure proper management and effective evaluation, selection and monitoring of the transport infrastructure projects⁵⁵; *the creation of the premises to accelerate the implementation of the trans-European transport infrastructure projects*⁵⁶ by simplifying certain legislative aspects concerning the agricultural and forestry circuit, construction permits, accounting regime of the advance payments, relocation of utilities, with direct impact on reducing the implementation deadlines for projects aimed at developing the transport network in Romania (TEN-T Core and TEN-T Comprehensive).

By mid 2016, for *the integration of the national railway system into the single European railway area*, the adoption of a law⁵⁷ aiming at opening up the passenger transport services for competition and increasing the market competitiveness of these services is envisaged. The law will have the following main effects: lower the overall costs on transport; progressively increase the coverage of costs for the rail enterprises based on their own revenues obtained from commercial activities; improve the management of the rail infrastructure.

In 2016, in terms of *stimulating regional mobility*⁵⁸ for reducing the cost of passenger and freight transport and promoting the access on regional markets, ERDF 2014-2020 will finance investments in the following activities: upgrading and rehabilitation of the county road network that ensures direct or indirect connectivity with TEN-T; construction/ modernization of ring roads having a county road status and being located on the rout of the concerned county road; investments for road safety.

In the **energy field**, *Romania will finalize its strategy for 2016-2030 timeframe, with the horizon of the year 2050*, and the process of its adoption through political consensus will be initiated, these representing also stimulating factors for the investors. This document has to respond, directly and indirectly, to the needs of the main actors involved in the energy sector so that Romania could cope with the requests of EU Internal Market, avoiding the vulnerability to an energy crisis.

The new strategy in the energy field will aim at fulfilling the EU objectives of energy and environment policy, assumed by Romania as well, taking into account the following national goals: the security of energy supply and ensuring the economic and social development, in the context of a future increasing of demand of energy; environment protection by limiting the climate change effects; ensuring the economic competitiveness by keeping an affordable price for the final consumers.

The general objective of the energy strategy is to fulfil the need of energy both currently and on medium and long term, at a price affordable for consumers.

In the framework of strategy development, on 15 February 2016, the process of upgrading and

⁵⁵ According to *GEO No 68/2015 approving measures to manage structural instruments in the transport sector* and *GD No 103/2016 amending and supplementing GD No 21/2015 on the organization and functioning of MT*

⁵⁶ *GEO No 7/2016 on measures to accelerate the implementation of trans-European transport infrastructure projects and amending and supplementing certain legal acts*

⁵⁷ The draft *Law on the integration of the railway system from Romania into the Single European Railway Area* transposes into the national legislation the provisions of Directive 2012/34/UE establishing a single European railway area.

⁵⁸ At 15 March 2016, MDRAP (as AM POR 2014-2020) launched the call for projects under the Investment Priority 6.1 – *Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multi-modal nodes*

restructuring the document regarding the energy strategy, initiated in 2014, has been completed. In this respect, the papers regarding the *Analysis of current situation and Romania's international commitments in the energy sector* have been posted on web page of ME on 26 February 2016. The elaboration of Romania's new energy strategy is going on with the phase of qualitative analysis carried out by organizing specialized working sessions between 9 March and 15 April 2016. There is also under development the tender dossier that will represent the basis for the public procurement of consulting services for the modelling and the quantitative analysis needed for the elaboration of the *Strategy in the energy field*.

There will be continued the *cross-border interconnection of the national systems for electricity and gas transport* with Republic of Moldova and other neighbouring States and there will be constantly promoted the materialization of the projects of common interest (e.g. the gas transmission corridor BRUA/ Bulgaria-Romania-Hungary-Austria).

In order *to increase the competition in the energy sector*, there will be further applied the phasing out roadmap for regulated prices, both for electricity and gas. Non-household customers do not benefit anymore from regulated prices. The phasing out roadmap for electricity household customers will be finalized on 31 December 2017. Starting with 1 January 2016, for the household customers the percentage of electricity procured on competitive market is of 60%. For the gas household customers, according to provisions of GD No 488/2015⁵⁹, the process of phasing out regulated prices will be completed in 2021. By the end of 2015, the share of the consumption of final eligible clients in the total consumption of final gas clients represented 67%.

3.3.4. Increasing the performances of the public enterprises (PEs/SOEs)

Improving corporate governance is a priority for the Government. Therefore, efforts are concentrated towards the adoption of the law amendments to GEO No 109/2011⁶⁰ on corporate governance in the current legislative session.

The *operational strategic and technical guidelines on corporate governance*, including documents and tools framework to facilitate the uniform application of the regulatory framework in the field, and the mechanism for monitoring the implementation of the corporate governance and performance of the PEs, applicable in a pilot phase for three PEs will be operational in November 2016. These will be implemented under the Grant Agreement with the WB, totalling 488 thousand USD.

114 PEs that haven't introduced the private management were analyzed. The procedure for selecting private management for 5 PEs⁶¹ subordinated to MECRMA is ongoing. Regarding the field of energy, on 27 November 2015, the framework agreement for recruiting the personal for selecting and placing the administrators for nine PEs⁶² for those the ME has the status of public authority was signed by the ministry. On 9 March 2016 there were signed service contracts support for recruitment and placement to select administrators to three PEs⁶³, out of the nine selected PEs.

To *strengthen financial discipline of the PEs*, in June 2015, the *Order No 666/2015 on the application of Accounting Regulations harmonized with International Financial Reporting Standards (IFRS) by some state-owned entities* was issued. Starting with financial year 2016, 17

⁵⁹ On establishing the acquisition price for the natural gas from domestic production for the household clients and for the producers of thermal energy, only for the quantities of natural gas used to produce thermal energy in cogeneration plants and in thermal plants for the population consumption in the period 1 July 2015-30 June 2021

⁶⁰ The amendments to the *GEO No 109/2011 regarding corporate governance* were approved by the Government in January 2016 and were sent to the Parliament. There were debated within the Juridical Commission and the Economic Policy Commission of the Chamber of Deputies.

⁶¹ Plafar SA - 3 members for the Administration Council, SN Sare SA – 3 members for the Administration Council, CupruMin - 5 members for the Administration Council, SNAM SA - 5 members for the Administration Council, CNTEE Transelectrica - 2 members for the Supervising Council

⁶² The ME is tutelary authority for the following PEs: Complexul Energetic Oltenia SA, Complexul Energetic Hunedoara SA, OIL Terminal Constanța SA, Electrocentrale București SA, Electrocentrale Grup București SA-după finalizarea fuziunii prin absorbția Electrocentrale Titan SA, Electrocentrale Constanța SA, Society for State Ownership Administration in Energy SA, Compania Națională a Uraniului SA și SPEEH Hidroelectrică SA-after the exit from insolvency.

⁶³ Society for State Ownership Administration in Energy SA, Complexul Energetic Oltenia SA and OIL Terminal Constanța SA

PEs⁶⁴ are required to prepare their individual annual financial statements in accordance with IFRS and to publish them on their websites.

The GO No 11/2016⁶⁵ which introduced new provisions and clarification on deadlines for submitting the financial and accounting statements and for approving or amending the annual revenue and expenditure budgets of the PEs was approved. For *the identification of the activities generating loss and the introduction of the performance management in the PEs under the authority or coordination of MT*, the ministry envisages to elaborate the frame-methodology for the introduction and implementation of modern management methods based on Profit and Cost Centres (by July 2016) and to develop a monitoring system for the economic performance indicators of each PE, indicators that are going to be monitored in order to preventively identify (diagnose) operational risk loss (by September 2016).

To *ensure the integrity and transparency, the capacity building of the tutelary authorities in applying the principles of corporate governance* will continue. Thus, in order to increase the level of professionalism and performance management of the subordinated PEs and to ensure a system of internal control and management adequacy of risk, and a quality internal and external audit also at the MECRMA level it is foreseen *a more efficient management of the state owned shares* by reorganizing the MERCMA / DPAPS and AAAS activities.

In addition, starting from January 2016 till December 2017 the *State Owned Companies - Preventing Corruption and State Capture Project*⁶⁶ is in the implementation process. Through this project will be established a set of common indicators that enable strategic and comparative analysis of the patronage and corruption inside the PEs. The allocations of funds from public and European sources and the measures for preventing the corruption and conflict of interests will be analyzed also. In order to achieve the objective of *promoting a set of rules to ensure the integrity and transparency and prevent corruption*, ME offers to those interested *a web tool*⁶⁷ for reporting under the protection of the anonymity, the facts involving a breach of the law or the professional ethics or the principles of good governance and transparency inside the PEs in the field of energy, for which the State is the majority shareholder.

To *continue the process of restructuring /privatization and streamlining of the PEs activity* the following measures are envisaged:

- *In the transport sector: the institutional reorganization of the enterprises under the authority of MT (CNADNR, CFR Infrastructure, METROREX, APM – Constanța)* by elaborating and starting the implementation, by October 2016, of *Plans of reorganization to improve the capacity to implement road (highways and expressways), railways, subways and naval infrastructure projects; signing, by the end of 2016, the performance contracts with CNADNR and CFR SA*, whereby the transport infrastructure operators undertake to comply with the performance indicators for infrastructure development and maintenance, thus ensuring the highest level of performance in the management of the infrastructure under their administration;
- *In the mining field: the reorganization and streamlining mining industry* in order to effectively use of the mineral resources, to mitigate the impact on the environment and to increase its productivity. The MECRMA envisages the adoption of the *Mining Strategy* currently under public debate; the amendment of the *Mining Law No 85/2003, the increasing the rate of the transparency and efficiency of the allocation of financial resources dedicated to conservation, closure and greening activities of the mines;*
- *In the field of energy: the restructuring and streamlining the PEs activities* continued as followed: completion the merger by absorption of the *Company Electrocentrale Titan SA, as the company*

⁶⁴ PEs, especially from transport sector

⁶⁵ For the modification and completion of GO No 26/2013 regarding the strengthening of the financial discipline at the level of the economic operators where the State or administrative-territorial units are majority or sole shareholders or held directly or indirectly a majority of shares.

⁶⁶ Project financed by EC through the General Directorate for Migration and Home Affairs and the Open Society Foundation, in which participate Romania, together with Bulgaria, Czech Republic and Italy

⁶⁷ <http://energie.gov.ro/avertizor-de-integritate/de-ce-avertizor-de-integritate/>, <http://energie.gov.ro/avertizor-de-integritate/legislatie-dedicata-avertizorului-de-integritate/>, <http://energie.gov.ro/foloseste-avertizorul-de-integritate/>

being acquired by the Company Electrocentrale Group SA, as the acquiring company; drawing up a restructuring plan for the period 2016-2020 in order to improve the activity of the Society Oltenia Energy Complex SA; a restructuring programme for recovering and for implementing a development production capacity project to the Uranium National Company SA. In addition, ME foresees that if a PE is admitted to be tradable on a regulated market to be given its opportunity to exercise its rights in the General Meetings of Shareholders (GMS) by including topics of discussion at the meetings of GMS, and in case that a PE are not admitted to be tradable on a regulated market, the ME as a minority shareholder of the State, shall ensure that its access to information is restricted only to the identification of its shareholder quality (registering the quality of shareholder to the Central Depository). In both situations, the ME will address to the Administrative Board questions in writing on the PE activity before holding the meeting of GMS, asking them to respond in time in order to be able to substantiate its mandate for voting. The specific measures will be implemented in situations where there are suspicions on the assets management of the PE.

The *draft Law on privatization* will be submitted to the Government approval in 2016. The draft is being developed by MECRMA and, after its completion, will be submitted to EC for consultation.

4. NATIONAL EUROPE 2020 OBJECTIVES

This chapter includes new reform measures, the measures that are continued as well as developments regarding reaching the national *Europe 2020* objectives. In addition, there are also addressed some specific challenges identified by the EC in *Country Report Romania 2016*.

More details on progress in implementing reform measures are included in **Annex 3**.

4.1 Employment

Employment rate (age group 20-64): 2020 national headline target - 70%. In the year 2015, the employment rate peaked at 66%.

Key directions:

- ✓ **Integrating young persons, unemployed and the beneficiaries of social protection measures into the labour market**
- ✓ **Developing the employment opportunities for people living in rural area**
- ✓ **Strengthening the institutional capacity of National Agency of Employment**

Integrating young people (age group 16-24) into the labour market will be facilitated by putting into application the *2016-2020 Youth Guarantee Implementation Plan*. By the year 2020, the estimates indicate that more than 31,770 young persons will participate in programmes of apprenticeship at work, and about 52,110 young university graduates will benefit by traineeship stages. Mobility bonuses will be delivered to 10,785 young people and other 31,730 young persons will benefit by sign-on bonuses, including long-term young unemployed. Employers' incentives will facilitate the labour market integration of more than 51,640 young people, other 287,300 young persons will attend training programmes, and 76,975 young persons will benefit by validation of skills and qualifications acquired through non-formal and informal learning.

Interventions aimed at integrating young people into the labour market will be supported by the implementation of a non-competitive project, financed under ESF 2014-2020, through which 200,000 inactive NEETs⁶⁸ young people will be assisted to register with PES and subsequently to benefit by tailor-made active employment measures adapted to their needs. In addition, the creation of the NEETs database - *Electronic NEETs People Register* ensures the interoperability of data provided by General Register of Population, National Agency for Fiscal Administration, National Agency for Payments and Social Inspections, Labour Inspectorate, National Trade Register Office and National Authority for Disabled Persons. The correlation between database of PES and the one of Ministry of National Education and Scientific Research is ongoing, as a result the young persons have been identified would benefit by packages of tailor-made measures, funded by UIB and ESF.

The *Catalogue of services provided by National Agency for Employment (ANOFM/NEA)* will be further developed, the tool being meant to correlate the interventions financed under the State budget and the European funds. The catalogue includes the estimated financial allocations of UIB, ESF and Youth Employment Initiative for measures implemented by the agency, and the financial allocation on priority axes of OP HC 2014-2020.

Since 2016, UIB subsidizes programmes aiming at facilitating the *temporary employment of unemployed and beneficiaries of social protection measures*, based on a fixed-term working agreement of no more than 12 months⁶⁹. The incentive scheme will finance community-led local programmes such as infrastructure works, ecology services, civil works and social services, home care services for children, sick persons, disabled and elderly persons. The estimates indicate that more than 9,000 persons will participate in the labour market in the year 2016.

The need to diversify the rural economy leads to financing investments that facilitate the *development of employment opportunities* in rural areas and reduce the dependence on agriculture

⁶⁸ Young persons (age group 15-24) not in employment, education or training

⁶⁹ Law No 195/2015 amending the Law No 76/2002 on unemployment insurance system and employment stimulation

sector. EARDF finances the setting up of micro and small-enterprises (start-ups)⁷⁰ and the development of non-agriculture businesses⁷¹, measures whose implementation will continue until 2023. In February 2016, 31 projects (amounting 1.87 mil. Euro) aiming at setting up new enterprises and 19 projects (amounting 2.73 mil. Euro) dedicated to developing non-agriculture businesses were selected in order to be contracted. Other 288 projects (amounting 15.90 mil. Euro) were transferred from NRDP 2007-2013 to NRDP 2014-2020. Young people are encouraged to settle in rural areas through the measure supporting the set up of young farmers⁷² that facilitate the renewal of farmers' generations. The measure financing will continue until the year 2023. In February 2016, 633 projects (amounting 26.85 mil. Euro) were contracted, and other 1,227 projects (amounting 15.58 mil. Euro) were transferred from NRDP 2007-2013 to NRDP 2014-2020.

Starting with the changing concept and the integrated vision on NEA reform, the *Institutional Strategy of NEA* has been revised and sent to EC, and it will be further updated in line with the recommendations. The work procedure to perform the jobseekers' profile is under preparatory stages in order to be approved. NEA aims at training in this procedure at least 130 experts of territorial employment agencies; their training courses will start in April and will end in June 2016. Supplementary, NEA intends to submit two applications of non-competitive projects funded under OP HC 2014-2020:

- *Identifying, testing and implementing innovative mechanisms, tools and procedures* in order to provide quality services by PES;
- *Developing PES activities dedicated to employers* in order to increase the occupancy rate of vacancies and to draft a marketing strategy

4.2 Research, development and innovation (RDI)

Investments in R&D: national 2020 target - 2% of GDP (1% - public sector and 1% - private sector); state of play (2014) - 0,38% of GDP⁷³ (0,22% of GDP – public sector and 0,16% of GDP – private sector).

Key directions:

- ✓ **Strengthen the capacity and performance of the RDI system**
- ✓ **Stimulate private investments in RDI**
- ✓ **Consolidate the European/ international dimension of RDI**

In 2016, in order to fit on the trajectory of achieving the national Europe 2020 target in the RDI field, the orientation is towards predictability, innovation and entrepreneurship, without disregarding young human resources and excellence research, able to attract private resources and funds from abroad.

For **strengthening the capacity and performance of the RDI system**, the measures for *developing large R&D infrastructures*⁷⁴ and *stimulating the collaboration with high skilled researchers from abroad*⁷⁵ continues. These measures, financed from ERDF 2014-2020, aim at both the development of a high performance material base for research and the creation of scientific and technology competence centres in the smart specialization fields. By the end of Q1/2016, 133 projects for creating or upgrading public and private R&D centres and labs and 186 projects for attracting high skilled researchers from abroad promoted in the technical and scientific evaluation phase. In addition, the Conference *Diaspora in Scientific Research and Higher Education in Romania*⁷⁶ falls within the coordinated actions aimed at bringing together scientists from abroad

⁷⁰ NRDP 2014-2020, Sub-measure 6.2 Support to set up non-agriculture businesses in rural areas

⁷¹ NRDP 2014-2020, Sub-measure 6.4 Support to investments in establishing and developing non-agriculture businesses

⁷² NRDP 2014-2020, Sub-measure 6.1 Support to set up young farmers

⁷³ Provisional data published by INS in the *Communication No 291/16 November 2015 on the R&D activity in 2014*

⁷⁴ Unique Applicant Guide for OPC 2014-2020, sections: A – *Investments for the R&D departments of enterprises*; F – *Investment projects for public R&D institutions and universities*

⁷⁵ Unique Applicant Guide for OPC 2014-2020, section E – *Attract high skilled researchers from abroad*

⁷⁶ Period 25 - 28 April 2016, location - West University from Timisoara

interested in collaborating with counterparts from Romania.

The project for the *development of the administrative capacity of ANCSI to implement certain actions provided in the National Strategy for RDI 2014-2020 (NSRDI 2020)*⁷⁷ will start in 2016. The main objectives of this project are:

- i. Full accomplishment, by Q4/2016, of the ex-ante conditionalities for the absorption of the European funds available for RDI, namely: *making operational the mechanism for strategic orientation*, serving both to monitor the smart specialization processes laid down in NSRDI 2020 and to provide corrections and real time reorientation; *the development of a multiannual plan prioritizing the investments from the state budget in research infrastructure* (in which context, the Romanian Committee for Research Infrastructure/ CRIC will be reactivated).
- ii. *The development of an integrated platform for research* (interconnecting the on-line registers of researchers, research results, experts for the evaluation of RDI activities, programmes and projects, potential economic contractors and national research infrastructures), ensuring a solid information base for political decision-makers and the transparency of the national R&D system towards the society.

In order to improve the governance in the innovation field and to approach the economic and RDI policies in a coordinated matter, the *Inter-ministerial Committee for Competitiveness* was set up and will be made operational. The objective of this committee is to coordinate all public policies impacting on competitiveness at national level (details in Chapter *Business Environment and Competitiveness*) the intention being that one of the committee's working groups to address innovation.

By the end of Q2/2016, for ensuring the stability and predictability of the financial resources allocated for RDI from the stat budget, *the calendar for launching the calls for proposals under the programmes of the National Plan for RDI 2015-2020 (NPRDI III)* will be established. Subsequently, the 2016 calls for proposals will be launched according to the already set priorities.

In 2016, to **stimulate private investments in RDI**, *the 50% deduction in determining taxable profit for the RDI activities* will be *made operational* and projects for *the development of RDI activities in private sector*⁷⁸ and for *creating partnerships for knowledge transfer*⁷⁹ will be financed from ERDF 2014-2020. These measures aim at financially supporting enterprises with RDI activity as well as strengthening the link between the R&D institutes/ universities and the economic environment in order to increase enterprises' competitiveness through a better use of the available R&D results and infrastructures. By the end of Q1/2016, 59 RDI projects submitted by private entrepreneurs (newly-established innovative enterprises, start-ups, spin-offs and innovative clusters) and 56 projects for knowledge transfer partnerships were selected for funding. On medium term, specific instruments provided in NPRDI III (such as *Bridge Grant*) will be made operational in order to facilitate the collaboration between universities and industry.

To **consolidate the European/ international dimension of RDI** and to better integrate into the European Research Area, both the state budget and ERDF 2014-2020 will continue funding the participation of Romanian researchers in Horizon 2020, the implementation of projects for the development of scientific and technological research carried out under bilateral agreements (most important with Japan, China and South Africa), the partnership with technologically advanced countries (Canada, South Korea and South Africa) and the collaboration within EUREKA/ Eurostars for innovative enterprises, CERN⁸⁰ for ensuring access to top scientific results in particle physics and within ESA⁸¹ for access to space technology.

In 2016 the **implementation of the pan-European project Extreme Light Infrastructure** –

⁷⁷ The project SIPOCA 27, developed by ANCSI in partnership with UEFISCDI and the National Scientific Institute for Labour and Social Protection

⁷⁸ Unique Applicant Guide for OPC 2014-2020, sections B – *Projects of innovative clusters*; C – *Projects of innovative start-ups and spin-offs*; D – *Investments projects of newly-established innovative enterprises*

⁷⁹ Unique Applicant Guide for OPC 2014-2020, section G – *Partnerships for knowledge transfer*

⁸⁰ Romania became member of the European Organization for Nuclear Research/ CERN in 2015

⁸¹ European Space Agency

Nuclear Physics (ELI-NP) continues. The construction of the civil buildings was completed, the public procurements of components for the laser and gamma beam systems were made and the construction of the special buildings for experiments is in progress. Moreover, the international ideas competition „*Laser Valley - Land of Lights*”⁸² was launched in order to identify the main directions for the urban development of Măgurele city, in the perspective of the huge potential of ELI-NP. The competition will take place between 1 and 5 September 2016, the announcement of the winner being scheduled on 20 September 2016.

As regards the *International Centre of Advanced Studies for Rivers-Deltas-Seas “Danubius”*, the application for including the project on the list of infrastructures of pan-European interest⁸³ was approved by EC and the project will be financed from ERDF 2014-2020.

4.3 Environment and climate change

According to the latest data available⁸⁴, **non-ETS emissions⁸⁵ decreased between 2005 and 2014 by 5.93%** (from 71.34 million tonnes CO₂ equivalent to 67.11 million tonnes CO₂ equivalent). Romania is on track to meet its overall commitments regarding non-ETS emissions, assumed under Decision No 406/2009/EC; the limit set for Romania translates into a maximum increase of non-ETS emissions by 19%, in 2020 as compared to base year 2005.

Key directions:

- ✓ **Supporting and promoting an economy with low-carbon emissions;**
- ✓ **Reducing GHG emissions from the energy and transport sectors;**
- ✓ **Mitigating climate change effects;**
- ✓ **Supporting sustainable development and improving environmental quality.**

In 2016, policies for **supporting and promoting an economy with low greenhouse gases (GHG) emissions** continued; historical and forecast values associated to GHG emissions show that Romania will respect its obligations under Decision No406/2009/EC. In this respect, one of the Romania’s main commitments is broadening, strengthening and making operational the *National Strategy on Climate Change (NSCC) 2013-2020*. Thus, *The National Action Plan on Climate Change (NAPCC)* and *The National Strategy on Climate Change and Low Carbon Economic Growth (CRESC)* have been developed and are in the process of external endorsement, under the WB Technical Assistance Program called “*Romania: Climate Change and Low Carbon Green Growth Program*”, implemented through the *OPERA-CLIMA Project (Operationalization of the National Strategy on Climate Change and Development of the Climate Component within the 2014-2020 Operational Programs)*; both documents are in external endorsement process. These programming documents will help to create a stable investment framework in the medium and long term strategy. The *CRESC Strategy* covers the period from now until 2030 and drawing the roadmap for 2050. The climate database was also created through *OPERA-CLIMA Project* (www.opera-clima.ro). The platform was updated throughout the project implementation, and after this, the role of administration rests for MMAP.

For effective implementation at national level of EU environmental legislation regarding the *Strategic Environmental Assessment (SEA)* and *Environmental Impact Assessment (EIA)*, MMAP implemented the project “*The Professional Training for the Staff from Environmental Protection Relevant Authorities in Terms of Strategic Environmental Assessment and Environmental Impact Assessment for the period 2014-2020*” financed by OPTA 2007-2013. By the end of 2015, 15 training sessions were held at regional level and one JASPERS training session for staff of

⁸² The competition is led by MENCS, with the support of Ion Mincu University for Architecture and Urban Planning, Technical University for Civil Engineering in Bucharest, Horia Hulubei National Institute for R&D in Physics and Nuclear Engineering and the City Hall of Măgurele.

⁸³ ESFRI roadmap (European Strategy Forum on Research Infrastructures)

⁸⁴ Data supplied by MMAP, according to the latest version of the *National Greenhouse Gas Inventory Report (NGHGIR)*, drafted by Romania in March 2016, for the period 1989-2014.

⁸⁵ GHG emissions from sectors not covered by the *European Union Emission Trading Scheme - EU ETS*

environmental authorities, but also AM and OIR.

Romania continues the implementation of policies aimed at **reducing GHG emissions of energy sector** and promoting the generation of energy from renewable sources by projects of the Environmental Fund or SOP Environment. Also, the **reduction of GHG emissions in the transport sector** is envisaged and the main measures refers to enhancing technical performance of the rolling stock, withdrawal from usage of polluting cars – *RABLA Programme* and the development of an infrastructure of charging stations for electric vehicles.

In order to **mitigate the effects of climate change** in 2015, the National Forests Administration – RNP Romsilva, Forestry Guards and Environmental Fund Administration – AFM continued to implement afforestation works on degraded land and shelterbelts. Also, within the *National Program for the Improvement of Environmental Quality through Creating Green Areas in Towns*, were financed projects for creating new parks, squares and alignments in cities.

In order to **support sustainable development and to improve environmental quality**, Romania continued development programs of the environmental infrastructure with works for creating water supply and sewage networks and works for the rehabilitation and construction of urban wastewater treatment plant. In order to improve protection systems for flood risk, in line with the new *Strategy on Flood Risk Management* and the *Management Plans of Flood Risk* for the 11 watersheds and Danube River (portion of the Romanian territory), the focus is on non-structural measures and green measures to support the necessary actions for reducing the climate change impact. Efforts are made to achieve integrated waste management systems and to promote energy recovery from municipal solid waste in high efficiency cogeneration facilities and to improve the management of protected natural areas and *Natura 2000 Sites*.

The fulfilment of the commitments undertaken before signing Partnership Agreement for Large Infrastructure Operational Programme (LI OP) is a priority for MMAP and MFE. Thus, in order to respect the deadline for developing and approving the *National Waste Management Plan - NWMP* (which will include the *National Waste Prevention Plan - NWPP*), MMAP has taken steps to collect data required to develop NWMP from ANPM and APM. It is estimated a period of maximum of 12 months (including the required time for proceeding SEA) to finalize these documents. Until October 2016, the legislation (established by MMAP and MDRAP Decision) for identifying and implementing economic instruments necessary to achieve the 2020 target on reuse and recycling of waste will also be approved. At the same time, *The Management Plan for Romanian Portion of the Danube International Basin* will be approved. (including the 11 Management Plans of River Basins).

4.4. Renewable energy sources

According to the **value reported by Romania to EC** through the *Progress Report on the Promotion and Use of Energy from Renewable Sources*, **in 2014, the share of energy from renewable sources in the gross final consumption was of 26.27%**. The indicator value for the years 2013-2014 **overpasses practically that established for 2020** by the Renewable Energy Directive 2009/28/EC (i.e. 24%).

Key directions:

- ✓ **Improving the efficiency of support systems for the energy from renewable sources**
- ✓ **Financing the investment aiming at the valorisation of renewable energy sources**
- ✓ **Encouraging the production of energy from less exploited renewable sources**

In the field of renewable energy sources (RES) Romania exceeded the 2020 national target. To strengthen this field, **green certificates support scheme** continues.

Between January and December 2015 the electrical installed power accredited to implement the green certificates promotion system was of about 847 MW⁸⁶ (including the electrical power in

⁸⁶ Excepting the power installed in groups that exit the support scheme – old hydro or wind with temporary expired accreditation)

plants with temporary accreditation expired on 1 January 2015 and re-accredited again during 2015).

2014 Report on overcompensation analysis of the promotion system of green certificates (posted on ANRE web page) concluded that there is no overcompensation risk for none of the technologies analyzed and decided that no measures are needed to reduce the number of green certificates for the producers to be accredited after 1 January 2016.

The evaluation of specific indicators (specific investment/MW installed power, internal rate of profitability) is running in order to *develop the 2015 overcompensation analysis of the promotion system of green certificates*.

For plants with an installed capacity less than 500 kW per plant the electricity production from renewable will be supported by a *new support scheme by regulated prices defined for every technology*. The small producers of electricity from renewable (particularly biomass/biogas) will be the beneficiary of this scheme. The number of these producers is increasing and there are many challenges they are facing in trading small quantities of electricity and green certificates on centralised markets. That's why this scheme is set in line with the new *Guidelines on State aid for environmental protection and energy* (entered into force on 1 July 2014) regarding the exemption from the direct sale of energy on market just for the plants under 500 kW.

The clarity and stability of support schemes for the energy from renewable sources will be improved next by *completion/amending of the Law no 220/2008 on establishing the promotion system for the production of energy from renewable sources*. The legal changes will aim at creating a balance between producer and consumer (bill affordability for consumer) by an equidistant approach between all actors on the market (producers, distributors, providers, consumers), will offer a reliable investment environment respectively, by further supporting the industry of energy production from RES, particularly of those technologies that registered a slow growth as biomass and geothermal. To this aim, an inter-institutional working group composed both of representatives of investors and consumers, analyses the challenges the investors face in producing energy, the operation of green certificates market and the impact on final consumer's bill as well.

Support for exploitation of biomass, hydropower (in units with installed capacity less than or equal to 10 MW), solar, wind and bio fuels resources has been continued in the framework of *SOP-IEC*⁸⁷ in order to *modernize and achieve new electricity and heat generating capacities*.

By 22 February 2016, out of 89 financing signed contracts, 19 projects are under implementation, 37 projects have been finalized, 30 contracts have been cancelled, and other three are under cancellation. The approved financing amount (from ERDF and State budget) for that 56 contracts (under implementation and finalized) is of Lei billion 1,363. 137 MW electrical installed power and 30 MW thermal installed power have been achieved as result of projects finalization.

Promotion of RES, through the *Environment Fund*, has been continued by the *Programme for the installation of heating systems using renewable energy, including by replacement or supplementation of traditional heating systems (Green House)*. In the framework of this programme, by 31 December 2015, 4,764 contracts have been signed for individuals. The total value disbursed in 2015 was of approx. Lei 26.15 million (corresponding to a number of 4,358 applications/systems). To financially support legal entities, by 31 December 2015, in the framework of the same programme, two projects were under implementation (for which approx. Lei 1.7 million were disbursed in 2015 to install three systems using RES), and other two projects were finalized.

Production of electricity from RES will be extended also by implementing two projects aiming to achieve *initial investments in hydropower plants*. The projects are under implementation, and the

⁸⁷ Priority Axis 4: Increasing energy efficiency and security of supply, in the context of combating climate change / Key Area of Intervention 2 - *Valorisation of renewable energy sources for producing "green" energy*

disbursement of payments is going to be made according to the contracts. Through the finalization of these projects an installed capacity of about 3.72 MW will be achieved. In the next period, in the framework of the same investment component, a project aiming to develop a smart energy system in protected areas is to be implemented.

Two projects aiming at **initial investments in power plants using geothermal energy** for heat generation are also under implementation. Three predefined projects are further envisaged to achieve prefeasibility studies and to train in geothermalism Romanian experts in the framework of the *Training Programme in geothermalism of the United Nations University in Island*.

Carrying on the measures to support production of energy from less exploited renewable sources (biomass, biogas, geothermal) will be achieved from ESI Funds through the *Large Infrastructure Operational Programme*. The draft *Guide of applicants* for these measures has been launched for first public consultation on 1 September 2015.

4.5 Energy efficiency

According to Eurostat, in 2013, the **primary energy consumption** was of 31.0 Mtoe, and in 2014 of 30.8 Mtoe.

Key directions:

- ✓ **Promoting high efficiency cogeneration**
- ✓ **Modernizing the centralized district heating systems of localities**
- ✓ **Increasing the energy efficiency in the residential and public buildings and in public lighting systems**

In order to improve the energy efficiency, the **state aid support scheme to promote high efficiency cogeneration**, operational since 1 April 2011, will be further implemented. The scheme foresees a financial support given to the electricity and heat energy producers who own or use for commercial purpose high efficiency cogeneration power plants that save fuel of at least 10% compared to the separate production.

In order to ensure the legal framework needed to implement the state aid support scheme to promote high efficiency cogeneration there have been elaborated and approved:

- *Methodology to establish and adjust the sale prices for the electrical and thermal energy produced and delivered from cogeneration plants that benefit of support scheme, and the bonus for high efficiency cogeneration respectively* (approved by the ANRE Order No 15/2015 that repeal the ANRE Order No 3/2010, completed and modified by the ANRE Order No 148/2015);
- *Monitoring and report methodology regarding the state aid support scheme to promote cogeneration based on demand for useful thermal energy* (approved by ANRE Order No 10/2015, that repeal the ANRE Order No 33/2011);
- *ANRE Order No 95/2015 for the modification of ANRE Order No 119/2013 on the approval of the contribution for high efficiency cogeneration and of certain provisions regarding the modality to invoice it;*
- *ANRE Order No 4/2016 regarding the modification and completion of the Methodology for the determination and monitoring of the overcompensation of the activity of producing electrical and thermal energy in high efficiency cogeneration that benefits from the support scheme of bonus type*, approved by the ANRE Order No 84/2013.

GD No 846/2015 for the modification and completion of GD No 219/2007 on promotion of cogeneration based on demand for useful thermal energy has been also approved.

In order to rehabilitate the centralized district heating systems of localities, in the framework of the **programme District Heating 2006-2020, Heat and Comfort** 75 mil. Lei have been allocated for 2016 through *State budget Law* to finance the programme. By 31 March 2016, 18 local authorities submitted applications, out of which 15 fulfil the eligibility requests foreseen by the Regulation for programme implementation, approved by the *MAI Order No 124/2012*.

In order to extend until 2020 the implementation period of the programme *District Heating 2006-2015, Heat and Comfort*, GD No 602/2015 on modification and completion of GD No 462/2006 for the approval of the programme *District Heating 2006-2015, Heat and Comfort* has been adopted.

In order to **support investments in facilities and equipment which lead to energy savings** in industrial enterprises, in the framework of SOP IEC, 43 contracts were signed. Out of these, by 22 February 2016, 36 projects were finalized, six were cancelled, and one is under cancellation. The amount of approved financing (from ERDF and State budget) for the 36 finalized contracts is of about 244 mil. Lei.

To increase of energy efficiency in the transport field, the **modernization of METROREX rolling stock** has been continued by concluding a procurement contract for eight new trains. Out of these, four were delivered to METROREX and they are under technological tests, following that till the end of June 2016, all eight trains to be delivered and put on operation with travellers.

For the **thermal rehabilitation of residential buildings**, in the framework of the financing scheme *Support of investments in the energy efficiency of the multi-storey buildings (KAI 1.2 – ROP 2007-2013)*, 135 projects were contracted to thermally rehabilitate 46,920 apartments representing 102.9% of ROP 2007-2013 target.

Also, the *National Programme on increasing the energy efficiency of the multi-storey buildings*, implemented according EO No 18/2009, with the subsequent amendments and completions, having an allocation of 25 mil. Lei in 2016, allows the finalization of works regarding the increasing of the energy efficiency for approx. 5,748 apartments.

A new package of measures aiming at increasing the energy efficiency in the residential and public buildings and in the public lighting will be co-financed from ERDF in the framework of *ROP 2014-2020*. In the framework of this operational programme, in March 2016 was launched the operation 3.1.A *Increasing the energy efficiency in the residential buildings*.

Till 2023, through ROP 2014-2020, the energy consumption in the residential sector will be reduced by improving the energy classification for 128,758 households.

In the framework of *Large Infrastructure Operational Programme* the draft *Guides of applicants* for all specific objectives promoting energy efficiency were launched for first public consultation (on 1 September 2015). Utilization of ESI Funds allocated through this operational programme will allow to: promote the systems to measure, highlight and monitoring the energy consumptions in the industrial sector; achieve and modernize the high efficiency cogeneration electric plants (maximum 8 MWe) on natural gas, biomass and residual gases; and modernize the centralized systems of transport and distribution of thermal energy.

In the next period, the *Methodology to calculate the energy performance of buildings* will be updated. The technical progress in the field of energy performance of buildings will be reflected in this way in line with the standards package elaborated at EU level. A software package developed in the framework of the programme *Improvement of energy efficiency of households and communities with low incomes in Romania*, financed by *Global Environment Facility* through the *United Nations Development Programme* will be also implemented. All buildings energy audited and their energy performance certificates will be thus registered in the data basis, following that based upon all data the savings of CO² at national level to be quantified.

The *Guide of good practice to achieve the optimal levels, from the point of costs, of the minimum requirements of energy performance for different categories of buildings* will be also elaborated. By means of this guide there will be explicated the way of calculation to reach the optimal levels from the point of costs, of minimum requirements of energy performance for different categories of buildings by describing the investment costs for the modernized and replaced elements of buildings and for their cooling and heating systems already introduced in construction) as well.

4.6 Early school leaving

Early school leaving rate: national headline target Europe 2020 – 11.3%; current rate – 18.1% (2014), 18.9% (2015 – provisional data Eurostat).

Key directions:

- ✓ **Expanding early education**
- ✓ **Modernizing school curriculum**
- ✓ **Increasing the quality of school education**
- ✓ **Strengthening technical vocational education and training**
- ✓ **Replicating the prevention and intervention measures for students at risk of early school leaving and consolidating the social package in education**
- ✓ **Improving educational infrastructure**

For **expanding early education services** (for children aged 0 to 6), the *National program for early childhood stimulation of children to reach their maximum potential* will start in Q2/2016. *Regulation on Organising and Operating of the Preschool education* (Minister of Education and Scientific Research Order No 4464/2000) was approximated with the *Regulation on Organising and Operating of the School education* (Minister of Education and Scientific Research Order No 5115/2014) in force and the revised regulation will be approved by ministerial order. Amendments and additions brought to the *Methodology on Organising and Operating of Nurseries and Early education and care services*⁸⁸ were approximated with the amended *Regulation on Organising and Operating of the Preschool education* above mentioned. This methodology will be approved by Government in July 2016.

The Government approved *GD No 15/2016 on the approval of the methodological norms on the application of the Law No 248/2015 on stimulating participation in preschool education of children from disadvantaged families*. In order to stimulate children participation in preschool education (kindergartens), social vouchers shall be granted starting with the second semester of the current school year.

Regarding the **modernization of school curriculum for lower and upper secondary education, and VET** the *Schedule for drafting a new curriculum*, approved by MENCS in April 2015 and reviewed in December 2015 establishes deadlines for setting-up the curriculum frameworks and syllabi for lower-secondary (gymnasium) and upper-secondary (high school) education until December 2017⁸⁹. The curriculum policy document *Guidelines for designing and updating the national curriculum* developed by the Institute of Education Sciences (ISE) and which underlines the curriculum model was developed and submitted for consultation with stakeholders. In the 1st semester of 2016 the document aforementioned was reviewed and it is estimated to be completed and approved by ministerial order in Q3/2016. After a wide consultation process a *Framework curriculum plan for lower-secondary education* was completed and the process of selecting experts who will develop school syllabi for this level of education has started. These school curricula will be completed in Q4/2016. The development of *Framework curriculum plans for upper secondary education* is ongoing; curriculum development will take place in July 2016, and the debate on the educational content will be carried out in September 2016.

The *Romanian Secondary Education Project – ROSE*, financed by a loan from IBRD, will provide ISE with the technical and financial assistance for reviewing the curriculum for secondary education on a skills-based approach. In terms of VET, the *Minister of Education and Scientific*

⁸⁸ The methodology regulates, in particular, the accreditation process of early education services, food ratios calculation, recruitment of teaching staff according to law and the recruitment of non-teaching staff by the local authorities, and the means to promoting the *Specific curriculum for early education and care*, etc.

⁸⁹ In the school year 2013-2014 the new curricula for preparatory grade and 1st grade was implemented; in the 2014-2015 school year the school curricula for the 2nd grade, and in the 2015-2016 school year the one for the 3rd grade. In the school year 2016-2017 the new curricula for the 4th grade which has already been developed will be implemented, and the new framework plans and curricula for the 5th grade will be applied starting with the 2017-2018 school year.

Research Order No 5293/2015 on the approval of VET structure and the training standards was issued. Subsequently, 200 training standards for the 3rd and 4th professional qualifications levels⁹⁰ will be approved. VET curriculum will be reviewed during the school year 2015-2016 in order to be implemented in the 9th grade starting with the 2016-2017 school year.

To **improve the quality of school education**, MENCS seeks to improve the regulatory framework for the recruitment and appointment of managers in schools and school inspectorates⁹¹. The *Methodology on contest procedure for filling in the management positions in school inspectorates and Teaching-staff resources centres* was reviewed by ministerial order and the draft *Methodology for organizing and conducting the contest for filling in the management positions of school units* developed based on the latest provisions of the *Law on national education* will be submitted for public debate. It is estimated that the methodology will be approved by ministerial order in May 2016. Through a strategic project on the *Operationalization of the Master of Arts in Teaching* the academic curriculum for this education route will be developed.

The *Integrated Education Information System of Romania (SIIR)*⁹² is operational and encompasses a data collection and processing mechanism, and a series of modules comprising reporting sections which lists both data export, and data summarizing and aggregating facilities by vertical. The *Methodology on SIIR operating* is under development and will be approved by ministerial order in September 2016.

In order to **strengthen technical vocational education and training, especially the work-based learning component**, the draft *Strategy on education and vocational training in Romania 2016-2020* was developed and is under inter-ministerial approval procedure. The expected time for the approval by GD of the strategy abovementioned is April 2016. MENCS continues to regulate and implement the dual VET system by means of defining this dual training system contract by MENCS and the private companies interested in this type of training.

Strategy on reducing early school leaving was approved by GD No 417/2015⁹³. The OPAC project *Monitoring and evaluation of ex ante conditionality strategies in education and improving decision-making by monitoring institutional performance at central and local level* to be implemented with the WB technical assistance will improve MENCS institutional capacity in terms of coordinating the implementation, monitoring and evaluation of the measures contained in the education strategies.

For the purpose of processing data to producing official statistics in education, including the adoption of a set of procedures on facilitating access and increasing school attainment for children from vulnerable groups, MENCS and INS will develop a Memorandum of cooperation which will be completed in June 2016.

With the aim of **replicating the prevention and intervention measures tackling early school leaving and in conjunction with the measures within the Government integrated package to combat poverty**, MENCS seeks means of action for the development, at national scale, of the *School after school* program, including by extending the pool of funding. The methodology on operating the program above mentioned will be adopted by Government in October 2016. In 2016, a pilot-program called *Preventing early school through practicing sports* will be launched too⁹⁴.

Within the *Romanian Secondary Education Project - ROSE*, a first grant call was launched for 300 high-schools (an average of 100,000 Euro per high-school), representing approximately 25% of beneficiary high schools, following that the second call which will cover more than 850 schools eligible to participate in the grant scheme to be launched starting with the school year 2017-2018.

⁹⁰ NQF sets eight qualification levels that can be certified through the formal education and training in Romania and through the recognition of learning outcomes acquired through formal and informal learning, from a lifelong learning perspective. Level 3 - certification for graduates of vocational/dual/compulsory education level: Level 4 - certification for high school graduates.

⁹¹ The methodologies seek to make school managers and school inspectors positions irremovable for a four year term.

⁹² SIIR provides full management service for school education activities from an operational, technical, administrative and strategic perspective.

⁹³ The strategy was published in MO Part 1 of 19 June 2015

⁹⁴ There will be selected 16 schools (8 located in urban areas and 8 in rural areas), which will organize sports activities to increase school attendance

For each call the applications approved for receiving the grant will be implemented over a four years timeframe (2016-2020, and 2017-2021 respectively).

The implementation of *Second chance* programs for primary and lower secondary education⁹⁵ will continue and shall be expanded, including for young people aged 16 to 24, and the implementation of *Vocational Scholarship* programme continues for all students attending vocational education⁹⁶.

For consolidating *the social package* in education targeting the pupils and students from groups facing particular risks, MENCS continues to run annual social programs to support pupils and students from disadvantaged areas i.e. *School supplies*⁹⁷, *Money for high-school*⁹⁸, *Euro 200*⁹⁹, *Reimbursement of transportation costs*¹⁰⁰ and *School shuttles*¹⁰¹.

Regarding the *educational infrastructure*, and in order to collect data on investment needs for each school separately, MENCS requested school inspectorates to support local authorities in identifying investment works required to obtain the operating permit. In the 2016-2017 school year, school infrastructure rehabilitation and development target 234 state educational establishments, including 174 kindergartens and 60 schools.¹⁰² In order to develop a *National strategy on educational infrastructure*, an application was submitted to AM OPAC and a contract was signed in late March 2016. It is expected that the draft strategy will be developed by the end of September 2016.

4.7 Tertiary education

Share of population aged 30-34 with tertiary education attainment: national headline target Europe 2020 - 26.7%; current rate - 25% (2014), 25.5% (2015 - provisional data Eurostat).

Key directions:

- ✓ **Supporting students from rural areas, disadvantaged groups and non-traditional students to participate in tertiary education**
- ✓ **Developing and integration of education and research IT system**
- ✓ **Developing institutional capacity and increasing internationalization of higher education**
- ✓ **Increasing the quality of higher education and matching labour market needs**
- ✓ **Setting-up and development of an open and accessible lifelong learning framework**

In order to ensure an *open, quality, competitive higher education adapted to labour market needs*, the *National strategy on tertiary education 2015-2020* was approved by GD No 565/2015. Subsequently *Plans on implementing and monitoring the results* of the strategy will be developed.

With the view of *supporting students from rural areas, disadvantaged groups and non-traditional students to participate in tertiary education* social programs are being carried out: scholarships, grants for board and lodging, partial reimbursement of transportation costs.¹⁰³ Minister of Education

⁹⁵ In the 2015-2016 school year the program ensures the participation of 4,810 pupils in primary education and 8,154 students in lower secondary education, and the training of 193 teachers for primary education and 292 teachers for lower secondary education

⁹⁶ Students attending the 3 years VET education receive a monthly grant of 200 Lei; in the school year 2015-2016 there were awarded 67,812 such grants, totalling 112.56 mil. Lei

⁹⁷ Granting school supplies for pupils enrolled in state primary and low-secondary education - daily-classes, who are supported by families whose average net income per family member is of maximum 50% of national minimum gross salary per family member. During the school year 2015-2016, there were provided school supplies of 11.85 mil. Lei equivalent for 55,234 beneficiaries

⁹⁸ Monthly scholarship (allowances) for students from social and economic disadvantaged families in order to continue their studies after completing low-secondary education was approved for 2016 for a number of 60,660 beneficiaries and it amounts to 90.387 mil. Lei

⁹⁹ Financial aid granted in order to stimulate purchase of personal computer by pupils and students from social and economic disadvantaged areas was granted to a number of 17,700 beneficiaries in 2015 and it amounts to roughly 16 mil. Lei.

¹⁰⁰ Reimbursement of transportation costs for pupils and students is made on monthly basis, depending on the supporting documents submitted by pupils and students. In January 2016, 133,238 pupils and students were reimbursed with a total amount of 80.256 mil. Lei

¹⁰¹ In 2015, 68 shuttles and 26 buses for pupils and students transportation were purchased and distributed

¹⁰² 152 kindergartens and 47 schools are located in rural areas, and 22 kindergartens and 12 schools in urban areas, respectively

¹⁰³ In terms of social programs for students, financial allocations were as follows: 183.58 mil. Lei for scholarships for the period January-September 2015, 132.54 mil. Lei for boarding and lodging in university dormitories, and 23.93 mil. Lei for reimbursement of students' transportation costs.

and Scientific Research Order No 3530/03.29.2016, approved the *Methodology on allocating budget funds for basic and additional funding of higher education institutions in Romania for 2016*. The methodology includes a set of quality indicators on the international¹⁰⁴ and regional orientation, and social equity¹⁰⁵.

For the ***development and integration of education and research IT system***, the operationalization of the *Integrated Educational Registry (REI)*¹⁰⁶ will continue by linking the existing data collection and analysis platforms. Thus, by the end of Q4/2016 there will be accomplished the interoperability with the central institutions which require data certified by MENCS/universities on the status of an individual enrolled in higher education (e.g.: CNAS, to provide free medical services without requiring certificate, CNPP for granting survivor's benefits, ANOFM/NEA for checking personal data of an applicant for unemployment benefits, etc.).

Moreover, by the end of Q4/2016 the interoperability between SIIIR and REI will be achieved, therefore the data of upper secondary graduates - the class 2015-2016 - would be extracted directly by universities (by an electronic high-school graduation certificate).

For the purposes of ***developing institutional capacity and increasing internationalization of higher education***, by October 2016 a *National Strategy on the internationalization of higher education in Romania 2016-2025* will be developed. To improve the administrative capacity of universities two strategic projects financed from European funds will be launched.¹⁰⁷ At MENCS level there is currently a ministerial order on the approval of the *Methodology for the allocation and use of the Fund for institutional development of the public universities* pending approval.

In order to ***increasing the quality of higher education and matching labour market needs***, in 2016-2017, through an OPAC project to be implemented in partnership with the Romanian Academy, there will be developed three studies on the quality and relevance of academic programs provided by universities by fields of specialization and impact of academic offer on employers.¹⁰⁸ Through another OPAC project namely *Improving public policies in higher education and quality regulation by updating quality standards*, to be implemented in partnership with ARACIS and based on a clear and transparent indicators and data toolkits, MENCS will develop and implement the methodology and guidelines for the classification of higher education institutions and ranking of academic study programs. The deadline for developing the methodology above mentioned is the end of Q2/2017.

For ***setting-up and development of an open and accessible lifelong learning framework***, the national *Strategy on Lifelong Learning* was completed in 2015 and approved by GD No 418/2015¹⁰⁹. Establishing *Lifelong Learning Community Centres* will begin after the approval of the draft GD on the approval of the *Methodology for accreditation, periodic evaluation, organizing and operating of Lifelong Learning Community Centres* which is pending inter-ministerial approval. The indicative deadline for the approval of the methodology afore mentioned is May 2016.

In the field of professional qualifications, in April 2016, the draft GD on the approval of the structure of *National Register of Qualifications in Romania* will be endorsed; the registry will be updated and managed by the ANC as a single reference tool in training, ensuring both a fair access to national and European labour market and the matching of education and training, and the labour

¹⁰⁴ The share of student mobilities through ERASMUS and ERASMUS MUNDUS programs, and the share of students enrolled in study programs in foreign languages

¹⁰⁵ Ability to integrate people from disadvantaged socio-economic backgrounds in educational programs, university contribution to the scholarship fund, places in dormitories

¹⁰⁶ REI platform provides access to the educational route/professional pathway of an individual

¹⁰⁷ Projects will focus on adapting the academic curriculum to the global context and stimulating universities to promote their educational offer on the portal *Study in Romania*

¹⁰⁸ The three studies will be undertaken under the project *Development of MENCS monitoring and forecast capacity on the evolution of higher education in relation to the labour market*, in partnership with the National Institute of Economic Research "Costin C. Kirişescu" of the Romanian Academy

¹⁰⁹ The Strategy was published in MO No 468, Part I, of 23 June 2015

market¹¹⁰.

In order to improve IT resource management and data security, MENCS aims to become *E-Minister* by October 2016, according to best international practice in this field.

4.8 Social inclusion and poverty reduction

Number of persons at risk of poverty and social exclusion: 2020 national headline target – reducing by 580,000 the number of persons at risk of poverty and social exclusion. In the year 2014, the number of persons at risk of poverty and social exclusion was reduced to 8,549 thousands persons as compared to 9,418 thousands persons in the year 2008, namely by **869 thousands persons** (9.2%).

Key directions:

- ✓ *Breaking the inter-generational circle of poverty*
- ✓ *Increasing the life quality of persons living in rural area*
- ✓ *Developing the social services market*
- ✓ *Continuing the health reform*

*The Integrated Anti-poverty Package*¹¹¹ represents the priorities of intervention assumed by the Romanian Government in February 2016, and structured in a plan of 47 measures organized on a lifecycle basis to provide a "safety net" for the poorest Romanians. The measures cover all age groups (0-65+) and intervene in critical moments of life when escape from poverty or its perpetuating is at stake. In addition, there are measures for the whole family (e.g. measures to improve poor housing or healthcare in rural areas) and several cross-cutting measures (such as the inclusion of disabled).

The package starts from the existing strategies (*the Strategy on Social Inclusion and Poverty Reduction, the Strategy on Reducing Early School Leaving, the Strategy for Active Ageing, the Strategy for Health, etc.*); at the same time, it aims to expand at national level successful projects of NGOs and local authorities and to correlate all these measures with the strategic plans of the ministries for 2016 and the available European funds.

This enables a single approach, coordinated at central level, the follow-up of implementing key measures and achievement of indicators. The measures selected in the package are mainly those requiring complex intersectoral coordination (e.g. integrated community teams in disadvantaged communities or measures for young NEETs) or those that can generate on their own a strong impact by speeding access of disadvantaged persons to services (e.g. no child without personal identification number, medical caravans, supplies and clothing for preschool children, grants to renovate housing in critical condition). The monitoring of the measures included in the package will be made by an Anti-poverty Coalition made up of NGOs, academics, ministries and local authorities.

Tackling poverty among children in disadvantaged families is one of the Government objectives. Providing social vouchers to kindergarten (50 Lei/ month for each child enrolled in kindergarten)¹¹² facilitates the children integration into the education system. The estimates indicate that more than 111,000 children (age group 3-6) would benefit by the programme provided that they attend regularly the pre-school education.

In addition, in order to *develop the daily childhood education and care services*¹¹³, ten crèches for children less than three years old and four crèches/ social services for the disabled children (age

¹¹⁰ Moreover this tool will support recognition of diplomas, improve graduates mobility in the labour market and stimulate their employment

¹¹¹ http://gov.ro/fisiere/stiri_fisiere/Pachet_integrat_pentru_combaterea_saraciei.pdf

¹¹² Law No 248/2015 on stimulating the participation in pre-school education of children from disadvantaged families and the procedure to grant the social vouchers to kindergarten

¹¹³ Promoting gender equality and life balance, a programme financed under SEE mechanism 2009-2014

group 0-7)¹¹⁴; 350 preschool children and 70 Roma preschool children will benefit by education facilities.

Ensuring the basic food aid and access to education system of the poorest children is critical in order to reduce the risk of poverty of the severely deprived adults and children. FEAD 2014 – 2020 will continue to finance basic food packages, schoolbags, and school supplies for children; the food supply funded through the Operational Programme Aid to the Most Deprived 2015/2016 starts in the first half of the year 2016.

Under LEADER approach, ***preparing and implementing integrated community-led local development strategies in rural areas*** will continue to be finance under EAFRD. In February 2016, 171 projects dedicated to the strategy drafting¹¹⁵ (amounting 2.32 mil. Euro) were contracted; from 10 March until 28 April 2016, a new call for project proposal was launched in order to submit the strategies drafted by beneficiaries¹¹⁶.

Reducing the social and economic disparities between rural and urban areas is financed under EAFRD. ***Investments dedicated to establishing, improving/ developing the social and education infrastructure, and the local roads and water supply/ water waste infrastructure***¹¹⁷ - in rural communities located in human agglomerations between 2,000 - 10,000 inhabitants - contribute to the increase of citizens' life quality. In February 2016, 694 projects (amounting 705.1 mil. Euro) were submitted; a second call for project proposals will be launched in 2016.

One of the challenges Romania should face lies in the high degree of underutilization of the labour force in rural area, in the subsistence and semi-subsistence agriculture, particularly in farms characterized by food production for self-consumption. Investments in ***developing small farms***¹¹⁸ to be better market-oriented continue to be funded under EAFDR until the year 2023. In February 2016, 38 projects (amounting 0.57 mil. Euro) were selected in order to be contracted.

In order ***to increase the access to ICT services***, MCSI carries on with the implementation of the project *Ro-NET: Building a national broadband infrastructure in disadvantaged areas*, financed by structural funds.

According to the *Governmental Strategy for Inclusion of the Romanian Citizens belonging to Roma Minority for the period 2015-2020*, the Government will continue to implement the pilot-programme ***Social Houses for Roma Communities***¹¹⁹; 189 housing units are estimated to be built by 31 December 2016.

In the year 2016, in order to support the local public administration authorities to ***establish public services of social assistance***, MMFPSPV will improve the legislation on developing the identification and intervention services at local level. The framework regulation for village-organised social services will be drafted and the framework regulations for municipality and county-organised social services will be revised.

In order to enhance the social service offer, ***the right to be recognized as social service provider will be extended to for-profit companies***, except for the services of preventing children separation of their family and those for children deprived of parental care, and the social services of preventing and combating domestic violence and those for the disabled persons. The measure meets the increased need of social services, especially those of long-term care services and it supports the development of the social service market in Romania.

In the year 2016, the implementation of the national programme financing public residential centres dedicated to elderly persons aims at improving their life quality and at increasing the share of the

¹¹⁴ The crèches are located in Bucharest (three crèches in the third district and for one crèche the applicant was the General Directorate of Social Assistance) and in the counties of Prahova (Băicoi), Mehedinți (Orșova), Caraș - Severin, Mureș (Reghin and Târnăveni), Maramureș (Baia Mare și Seini), Iași, Vrancea and Tulcea

¹¹⁵ NRDP 2014-2020, Sub-measure 19.1 Preparing support to draft local led development strategies

¹¹⁶ NRDP 2014-2020, Sub-measure 19.2 Support to implement actions under local led development strategies and Sub-measures 19.4 Support for animation and running costs

¹¹⁷ NRDP 2014-2020, Sub-measure 7.2 Investments in establishing and modernizing small - scale infrastructure

¹¹⁸ NRDP 2014-2020, Sub-measure 6.3 Support to develop small farms

¹¹⁹ GD No 1237/2008 on approval the pilot-programme *Social Houses for Roma Communities*

specialized staff employed by these centres, from 47% to 60%.

In the year 2016, the accreditation of over 6,000 social services will be finalised and the operating licences will be granted in accordance with the minimum quality standards which have been revised during 2014-2015 and in line with the legislation on quality assurance of social services, in force since January 2014.

Establishing the minimum inclusion income (MII) aims at tackling the risk of social exclusion and ensuring the minimum living conditions to the beneficiaries. MII will become the key anti-poverty programme by targeting better the beneficiaries, increasing MII budget as compared to the budgets of the actual social assistance programmes, and introducing a new formula of social assistance benefit that improve the opportunities of MII beneficiaries to enter the labour market. On 30 March 2016, the Government adopted the draft law in order to be sent to the Romanian Parliament.

MS continued the national health system reform, the implementation of national strategy in this field being initiated in order to improve the access to health care, the efficiency and the financial sustainability of health system, and the modernization of health care infrastructure at regional level; the issues aforementioned respond to CSR requirements addressed to Romania by EC. Developments have been made in order to improve informatic health system and measures are being implemented to increase the access of people at the quality medical services and to reduce morbidity and mortality caused by communicable and non communicable diseases.

At national level, to ***increase the access of vulnerable people to health services***, the implementation of prophylactic and curative programmes, especially in the field of women and children health has continued and more than 500,000 retired people with monthly income of < 700 Lei benefited of drugs in outpatient. The network of community nurses and health mediators has been developed to improve the access to medical services for people living in remote and isolated communities. The number of community nurses and health mediators has increased by 5% and the funds allocated in 2015 for health care activity at community level has increased by 3 mil. Lei compared to 2014. 45 community health centres were set up and a draft law to regulate the community centres and the medical and social services was elaborated to define models of such integrated services at local communities.

In order to ***improve efficiency and financial sustainability of the health system***, measures were taken to ensure the control of expenditures and to achieve significant savings in the health system, and to ensure an effective management of financial resources in hospitals. Since 1 April 2015, within the basic health services package¹²⁰, some measures with impact on introducing the financing based on performance criteria have been taken.

Additional funds were allocated to the primary health care from 1,424.9 mil. Lei in 2014 to 1,513.7 mil. Lei in 2015 and 1,515.5 mil. Lei in 2016 - a slight increase compared to 2015 - (for permanent care centres inclusively), from the total health expenditure from FNUASS. 38 centralized public procurement procedures for medical products were launched and benchmarks for medical services costs in hospitals will be set to calculate the real costs of hospital services. To develop the capacity of health technologies assessment in view of updating the list of compensated drugs, efforts were made to assess the tenders in order to select the consultant for the development of institutional structure for health technologies assessment purposes. The Government adopted GD No 741/2015 and GD No 799/2015 on the approval of the *List containing the common international names of drugs for insured persons*; these are the first substantial changes made on this list since 2008¹²¹.

In order to ***modernize the health infrastructure and healthcare network at regional level***, the rehabilitation works at 77 hospitals and equipping with medical facilities of 123 hospitals have continued. Also, 45 community centres were rehabilitated and equipped. Construction and equipping of county emergency hospitals will be eligible for ROP 2014-2020 should the mapping

¹²⁰ The package approved by *GD No 400/2014 on the approval of service packages and Framework Contract which regulates medical assistance in social health insurance system for the 2014-2015*. The application term for implementing the provisions of GD No 400/2014 was extended until 31 March 2016, according to GD No 994/2015.

¹²¹ 40 new drugs for which there is no therapeutic alternative or for diseases with major impact on health were included, 17 drugs were removed and 21 drugs were moved to a new list with the compensation percentage of 20%.

of health infrastructure (deadline Q3/2016¹²²) highlights the need for intervention at such hospitals. Some steps have been initiated for *increasing the access of people to quality medical services* to improve the regulatory framework for school medicine. To *reduce the morbidity and mortality caused by communicable and non communicable diseases*, the programme for active early detection of cervical cancer is ongoing. Also, information/education/communication campaigns with relevant topics for health problems of vulnerable and disadvantaged groups were organized.

In order to achieve a management of chronic diseases with major impact on population at family physician level, measures to improve *informatic health system* continued, within the project *Increasing the medical act quality in rural areas through implementation a telemedicine systems*. So far the progress made is focused on: (i) equipping medical cabinets of family physicians from isolated rural areas, (ii) equipping some county hospitals with computers, UPS sources, web cams, headsets with microphone and (iii) training of family physicians, specialist physicians, operators for telemedicine system and system administrators.

Implementing the measures in the health field will continue by increasing access of people, including the vulnerable ones, at qualitative medical services, improving efficiency and financial sustainability of health system, modernization of health care infrastructure at regional level, and through reducing the morbidity and mortality caused by communicable and non-communicable diseases. Also, it is envisaged improving the quality and efficiency of public services within the Romanian health system by promoting public integrity and accountability in resource management.

¹²² In accordance with the MS Order No 142/2016 on approving the Plan of activities undertaken in pursuit ex-ante conditionality assumed by the *Partnership Agreement signed by the Romanian Government and the European Commission, the composition and attributions of the Decisional Institutional Group and of the composition and attributions of inter-institutional technical groups*.

5. INSTITUTIONAL ISSUES AND STAKEHOLDER INVOLVEMENT

Drafting 2016 NRP

2016 NRP was developed under MAE coordination, based on the contributions provided by the institutions with responsibilities both in the *Europe 2020 Strategy* areas and those covered by the key-documents of the European Semester (i.e. AGS or CSRs).

According to EC guidelines, 2016 NRP contains elements relating to the state of play of implementation of the actions undertaken by 2015 NRP, including the state of play of response measures to 2015 CSRs, as well as proposals for new actions defined in line with the priorities established at EU level, the Government Program and the strategic priorities of the ministries; the latter being published in January 2016¹²³.

At the same time, 2016 NRP represents a response to the main challenges raised by EC in the *Country Report Romania 2016* in areas such as fiscal policy, governance, business environment, employment, social protection.

2016 NRP aims to ensure the continuity of reforms from previous stages and puts forward new measures which would meet the current priorities.

The draft 2016 NRP was reviewed by the members of the *Coordination Committee of the National System for European Affairs Management* (on 7 April 2016). The document was approved in the Romanian Government session of 13 April 2016.

Stakeholder consultation

To increase the visibility of *Europe 2020 Strategy* in Romania and to ensure the transparency of its implementation, the relevant information about the strategy and the European Semester, including the annual NRPs, are available on MAE website.

During 2015-2016, MAE has had a constant dialogue with the Romanian Parliament's committees, particularly those on European Affairs, on EC documents marking the milestones of the European Semester (i.e. Council Recommendation on CSRs, 2016 AGS, Alert Mechanism Report, etc.).

Moreover, ideas to develop 2016 NRP (including in terms of identifying new measures to address the challenges Romania is facing) were retained in the context of launching the *Country Report Romania 2016* and debating its content by the representatives of EC, the main institutions from central public administration, social partners and civil society.

Monitoring

To put into practice NRP, MAE coordinates the elaboration of an action plan which shall go in depth with the implementation measures by setting the responsibilities, deadlines, output indicators and budgets required. The measures relating to CSRs' implementation are addressed within another Action plan and therefore the two monitoring tools are to be approved in July, after the formal adoption of the Council Recommendation on CSRs.

As in previous years, the process of monitoring the NRP implementation has two components: one internal, provided by each institution in charge with the implementation of measures in its field of competence and another component at the Government level, which is provided by MAE, as national coordinator.

Progress made in the NRP and CSRs implementation is periodically reviewed based on reports elaborated in collaboration with the institutions represented in the *Working Group for Europe 2020 Strategy* (technical level) and integrated by the national coordinator of this strategy.

¹²³ <http://gov.ro/ro/obiective/strategii-politici-programe/prioritati-strategice-si-planuri-de-actiuni-sectoriale-ale-ministerelor-pe-anul-2016>

ANNEXES

ANNEX 1 – REPORTING TABLE ON THE ASSESSMENT OF THE POLICY RESPONSE TO COUNTRY-SPECIFIC RECOMMENDATIONS

No CSR	<u>CSR sub-categories / Short title of the measure/ Main policy objectives and relevance for CSR</u>							
	Information on planned and already enacted measures							Foreseen impacts
	Description of the measures of direct relevance to address the CRSs				Europe 2020 objectives	Challenges/ Risks	Budgetary implications	Qualitative elements
	Description of the measure	Legal/ administrative instruments	Timetable on progress achieved in the last 12 months	Timetable on upcoming steps	Estimated contribution to Europe 2020 objectives	Specific Challenges/ Risks in implementing measures	Overall and yearly change in government	Qualitative description of foreseen impacts and their timing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2	<p>Medium-term objective (MTO) - Monitoring the budget execution for identifying and proposing solutions to correct eventual deviations from the assumed deficit target for 2015 - Establishing structural deficit targets appropriate for maintaining or converging towards the MTO in 2016 and subsequent years <i>Reaching the MTO in 2015 and 2016</i></p>							
	Monitoring the budget deficit in order to comply with the assumed target for 2015. The 2015 budget envisaged a cash budget deficit target of 1.85% of GDP, which corresponds to an ESA deficit of 1.45% of GDP and a structural deficit of 1.25% of GDP. Establishing budget deficits aiming to support the maintaining or convergence towards the MTO, within the <i>Fiscal and Budgetary Strategy 2016 – 2018 (SFB)</i> and the <i>Law approving limits for some indicators specified in the fiscal and budgetary framework.</i>	Law No 339/ 2015 regarding the 2016 state budget.	Preliminary data on the consolidated general budget execution for 2015 show a cash deficit of 1.45% of GDP, corresponding to a 0.7% of GDP ESA deficit. SFB 2016-2018 envisages for 2016 a structural deficit of 2.73% of GDP, but starting with 2018 it enters on an adjustment trajectory (2.4%). According to the 2016 edition of the Convergence Programme, the current budget planning for 2016 estimates a deficit of 2.73% of GDP, but starting with 2018 it enters on an adjustment trajectory (2.41%).	-	-	The 2016 budget planning was made taking into account the fiscal loosening measures adopted in 2015, impacting both on revenues (the new Fiscal Code) as well as on expenditures (wage and some social assistance benefits increases).	-	Romania complied with the MTO in 2015 when the structural deficit reached 0.3% of GDP.
2	<p>Medium-term objective (OTM) Adoption of a new tax regime in the field of oil and natural gas/ Improving the tax system</p>							
	Drafting a law on oil and mining sectors taxation encompassing both the royalties system and an	Law on oil and mining taxation	The Law was drafted with IMF support at the end of 2015. In January-February 2016, the draft law was	Organizing the public debate according to Law No 52/2003, as of 15 April 2016.	-	-	-	Setting-up a transparent, stable, predictable, simple and economically

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	additional tax quota on profits earned by companies operating in this industry.		discussed at intergovernmental level.					efficient tax system to ensure the necessary budgetary resources, while encouraging investment.
2	Medium-term objective (OTM) Improve the management of public investments/ Increasing efficiency of public spending							
	Improving the public authorities capacity for strategic prioritization, preparation and selection of public investment projects.	Draft Law amending and supplementing GEO No 88/2013, approved with amendments by Law No 25/2014 Draft GD amending and supplementing GD No 225/2014	MFP signed a technical assistance (TA) contract with the WB, aiming to improve the process of selecting public investments. After the completion of the TA contract mentioned in December 2015, the WB submitted reports including methodologies, technical guidelines and manuals, and presented recommendations on strengthening the capacity of the <i>Public Investments Assessment Unit</i> .	The proposals from the WB reports will be presented to the management of MFP as a synthesis document and subsequent actions will comply with WB's recommendations (Q4/2016).	-	-	-	Increasing the quality of preparing public investment projects, strengthening the link between prioritized projects and resources from EU funds as well as state budget funds.
2	Implementation of the tax compliance strategy Further reorganization of ANAF/ Increasing efficiency of tax administration							
	Rearranging the large and medium taxpayers portfolio, restructuring of the Large Taxpayers Administration Directorate, operationalization of the Fiscal Anti-Fraud General	GEO No 41/ 2015 GD No 816/2015 OPANAF No 3648 and 3649/ 2015	The Large Taxpayers Administration Directorate became a fiscal entity with legal personality and own budget, there were established medium taxpayers administrations at regional	The reorganization process of ANAF will continue with focus on strengthening its workforce, both by increasing the staffing and by its relocation for the optimal function of structures, in	-	-	-	Improving the main indicators related to tax administration activity.

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	Directorate (DGAF)		level and a directorate for particular DGAF and the new enforcement of special cases, structures of tax the selection criteria of large administration for large and and medium taxpayers were improved. Achieving the full occupancy rate of DGAF by organising rate of 75%. On the 5 th of recruitment or promotion March 2016 a competition for competitions. filling 271 civil service positions of anti-fraud inspector was held. 168 candidates were admitted and the administrative appointment documents are going to be issued.					
2	Implementation of the Tax compliance strategy Improving VAT registration procedure / Increasing VAT tax compliance							
	Amending the VAT registration procedure of economic operators and amending the annulment of VAT codes, based on a predefined set of risk criteria.	OPANAF 3840 and 3841/2015 OPANAF No 3331/2015	Implementation of an improved VAT registration procedure of taxpayers, using risk criteria for assessing the intention and ability of taxpayers to carry out economic activities involving operations in VAT area.	Improving and developing the current procedural framework.	-	-	-	Reducing the number of companies which may cause losses in terms of VAT collection, reducing VAT fraud and increasing voluntary tax compliance.
2	Implementation of the Tax compliance strategy Fighting against cross-border VAT fraud/ Increasing VAT tax compliance							
	Increasing DGAF controls dedicated to dismantling evasion networks, especially	-	Romania is taking part in four multilateral controls. DGAF conducts three actions, from	-	-	-	-	Reducing VAT fraud.

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	regarding VAT fraud.		of which one on Romania's initiative regarding trade with electronic devices. Concerning the international sanctions administered in 2015, fines were applied and illegal incomes and assets were confiscated, amounting 48.1 mil. Lei.					
2	Implementation of the Tax compliance strategy Stimulating the issue/ request for tax receipts/ Preventing tax evasion							
	Launching "TelVerde" service on recording complaints concerning the refusal of retailers to issue tax receipts, organizing the fiscal lottery.	Fiscal lottery, Law No 166/2015	2,154 controls were held as a result of complaints received via "TelVerde" service (March - December 2015). Regarding the fiscal lottery, in 2015 eight monthly draws and three special draws were made.	In 2016, 12 monthly draws and two special draws will be made.	-	1 mil. Lei for each fiscal lottery draw.	-	Reducing tax evasion by motivating and empowering citizens towards taxation of retailers incomes.
2	Implementation of the Tax compliance strategy Wide spreading the use of risk analysis to the operational functions of ANAF/ Increasing the efficiency of tax administration							
	Developing a complex IT module on risk analysis, programming and automatic selection of taxpayers and centralisation these activities at ANAF level	Revenue Administration Modernisation Project (RAMP)	In 2015, the share of tax audits conducted on the basis of risk analysis was 28.75%. Since December 2015 a Risk Analysis Service is operational within the Business Intelligence General Directorate, and its role is to develop and centralize risk analysis function within ANAF.	Development of a software module in the framework of the Revenue Administration Modernization Project.	-	Delays in project implementation.	-	Efficient use of ANAF resources, information-based strategic decision making

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2	Implementation of the Tax compliance strategy Standardization of enforcement departments activity/ Increasing the efficiency of tax administration							
	Development of Enforcement Guidelines	-	-	Development of Enforcement Guidelines within the Revenue Administration Modernization Project.	-	-	-	-
2	Implementation of the Tax compliance strategy Conducting raising awareness campaigns among taxpayers / Increasing tax voluntary compliance							
	Implementation of a project co-financed by ESF which includes organisation of three campaigns on raising awareness and education of taxpayers (a media campaign, a direct campaign and an outdoor campaign) and a pilot public consultation. The project was completed in 2015	-	In 2015, three campaigns on raising awareness and education of taxpayers were carried out simultaneously during three consecutive months in printed media, radio, TV, online and outdoor.	-	-	-	6.535 mil. Lei (total budget of the project)	Streamlining the relation with the taxpayer
2	Implementation of the tax compliance strategy Broadening the sources of tax information / Prevention of tax evasion							
	Concluding protocols with public institutions and authorities	Inter-institutional collaboration tools i.e. protocols, conventions, joint orders, etc.	ANAF concluded nine new cooperation protocols, other nine collaboration protocols were updated and one convention was concluded (February-December 2015).	Further expansion of relevant information sources for tax administration and further expansion of the scope of the information exchange protocols	-	Some entities which are in the possession of relevant information for tax purposes are reluctant to enter into information exchange protocols.	-	Establishing the taxpayer's current tax condition and their risk level.
2	Implementation of the tax compliance strategy Improving the tax collection at central and local level / Making tax collection more effective							
	Providing the possibility for online tax payment.	ghiseul.ro payment tool	AADR provides an IT system for online payment of taxes	Expanding the functionalities of ghiseul.ro for the payment	-	Lack of ANAF capability to expose	AADR funding/ EU funding	Decreasing the time and reducing

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			set by public institutions enrolled in the system.	of taxes at central level.		its databases on <i>ghiseul.ro</i> and/or the lack of ANAF capability to support transaction related fee		procedures dedicated to tax payment for the benefit of taxpayers Raising tax collection by offering alternative tax collection ways
2	Strengthening control systems to combat undeclared work Reducing the illegal and / or partial undeclared work based on voluntary compliance / Reducing undeclared work							
	Expanding at national scale the pilot-project initiated by ANAF in 2014	-	950 inspections were completed at medium size tax payers, after which fines were imposed and criminal complaints were submitted (February-December 2015).	The experience gained through this project and the Methodology developed for this type of checks, will be used in the current tax inspections verifying social contributions and wage income tax.	-	-	-	Improving the results of tax audits for legal persons, especially in terms of wage income tax and social security contributions
3	Labour market Temporary employment of unemployed and beneficiaries of social protection measures/ Strengthen the provision of labour market measures							
	Since 2016, UIB subsidizes programmes aiming at facilitating temporary employment of unemployed and beneficiaries of social protection measures, based on a fixed-term working agreement for no more than 12 months.	Law No 195/2015 amending the Law No 76/2002 on unemployment insurance system and employment stimulation	Legal norms (GD No 133/2016) were endorsed at the Governmental meeting on 2 March 2016.	1. Drafting the de minimis aid scheme in compliance with the regulations in force 2. Approving the scheme by NEA president's order and publishing it in MO	Employment increasing	Risks related to the contract award in compliance with the public procurement regulations	19,377 thousands Lei Source: UIB	The estimates indicate that more than 9,000 persons will enter the labour market in 2016

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3	Labour market Strengthening the management of human resource system of NEA / Institutional strengthening of NEA							
	Starting with the changing concept and the integrated vision of NEA reform, the <i>Institutional Strategy of NEA</i> has been revised and sent to EC. The strategy will be further updated in line with EC recommendations.	n.a.	Registered progresses: - Catalogue of NEA services financed by UIB and European funds; - Timetable of analyse and review on employment legislation during 2016-2020; - Timetable of calls for proposals dedicated to NEA for interventions funded under OP HC 2014-2020	Working procedure to perform the jobseekers' profile is under approval; also, NEA staff training on this procedure will start in April and end in June 2016.	Employment increasing	Limiting the agency staff has an impact on territorial coverage of employment services and on implementation of support services dedicated to inactive people/ jobseekers or on training and (re)training of unemployed.	n.a.	Improving the quality of services provided by the agency both to jobseekers and to employers
3	Labour market Designing the transparent guideline on setting the statutory minimum gross wage per country/ Establishing in consultation with the social partners and in accordance with the national practice clear guideline for setting the minimum wage							
	Designing the procedure to set up the statutory minimum gross wage, performing an analysis on preserving a statutory minimum gross wage per country or on setting up a regional/ sectoral minimum wage and on deciding the authority in charge to set up the minimum wage.	GD	In January 2016, the Government established by a memorandum a working group consisting of representatives of Ministry of Labour, Ministry of Public Finance, Ministry of Economy, Commerce and Business Environment, National Institute of Statistics and trade unions and employers' associations. The working group meetings were held in February 2016.	Designing the procedure to set up the statutory minimum gross wage per country	n.a.	Agreement of the social partners on the guidelines	n.a.	Setting up the statutory minimum gross wage per country for the next years

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3	Social policies Establishing the minimum inclusion income/ Improving the mechanisms to grant the social benefits							
	Consolidating the existing social benefits – minimum guaranteed income, heating benefits and family supporting allowance	Law	The draft law was subject to public debates in March 2016, and the Government endorsed it on 30 March 2016. The draft law was sent to the Romanian Parliament to be further discussed and adopted.	Debates of the draft law in Parliament and adoption in the year 2016	Poverty reducing	Identifying the financing sources needed to upgrade the IT management system dedicated to social assistance benefits and training the staff involved in delivering new social assistance benefits	The budgetary expenses are estimated at 2.087 bln. Lei in the year 2018	Reforming the national social assistance system, creating the prerequisites for reducing the dependence on money transfers and increasing the share of the social services
3	Health Improving the access of vulnerable people to health services / Contributing to increase the access to medical services							
	Implementing national health programs, ensuring the access to drugs in outpatient for retired people, developing the healthcare network in local communities and provisioning of preventive services/early diagnosis and organizing information campaigns, education/national or local intervention, especially among vulnerable and disadvantaged groups.	Adopting of a normative act to regulate the community centers and medical and social services	The implementation of 18 prophylactic and curative programs, most of them in the area of women and children health has continued and until 1 September 2015, 562,027 retired people with monthly income of <700 Lei benefited of drugs in outpatient. Number of the community nurses and health mediators has increased by 5%.	1. Carrying-on with implementation of national health programs (Q4/2016); 2. Ensuring the access to drugs in outpatient for retired people (Q4/2016); 3. Developing healthcare networks in local communities to solve the socio-medical problems (Q4/ 2016); 4. Adopting a normative act to regulate the community centers, and medical and social services (Q2/2016); 5. Purchasing mobile units for screening of cervical cancer (Q4/2016).	Increasing social inclusion	Given that the approval of normative act (draft law) to regulate the community centers and medical and social services involves the Romanian Parliament, the approval may be delayed.	National health programs in the field of woman and children health, 28.32 mil. Lei Community Healthcare: Norwegian Financial Mechanism - 1.63 mil. Euro State Budget: 31.9 mil. Lei	Ensuring a netter access to health care for vulnerable persons and to those belonging to remote and isolated communities and reducing the urban-rural inequalities in health

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3	Health Efficient use of the resources in order to improve the financial sustainability of the health system / Ensuring an adequate level of financing, as needed							
	Putting forward funding based on performance criteria, carrying out procurement procedures for medical products in a centralized system, developing benchmarks for the costs of providing services in hospitals, developing the capacity building in health technology assessment in health, for drugs, in order to update the list for compensated drugs	GD No 400/2014, Health Minister and CNAS president Order No 388/186/2015, GD No 389/2014, GD No 996/2014, GD No 741/2015, GD No 799/2015 and GD No 877/2015 for amendment of GD No 720/2008	Some measures have been taken within the basic health services package approved by GD No 400/2014. These measures had an impact on introducing the financing based on performance criteria (April 2016). For 2015 and 2016 additional funds were allocated to the primary health care. 38 public procurement procedures for tetravalent vaccine and HIV SIDA medicines have been launched by September 2015. By means of GD No 741/2015 and GD No 799/2015 the <i>List containing the common international names of drugs for insured persons</i> has been approved and 40 new drugs for which there is no therapeutic alternative or for diseases with major impact on health were included, 17 drugs were removed and 21 drugs were moved to a new list with the percentage compensation of 20%.	1. Developing benchmarks for the costs of providing services in hospitals, aiming at carrying out calculations on actual costs of hospital services (Q4 /2018). 2016 Stages: 2. Contracting the company to perform the calculation of the actual costs of hospital services (Q4/2016); 3. Selecting the consultant for the development of institutional structure for assessment of health technology (Q4/2016)	Increasing social Inclusion	n.a.	n.a.	Controlling the of costs and making significant savings for the health system, and ensuring an effective management of financial resources in hospitals

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
3	Health Modernization of the health infrastructure and healthcare network at regional level / Contributing to the provisioning of a quality healthcare and access to healthcare for the population							
	Construction of/equipping emergency regional hospitals, rehabilitation/modernization and equipping the county hospitals, equipping the healthcare providers with medical equipment and means of transport, rehabilitation/modernization/expanding/equipping community socio-medical integrated centers, ambulatory and the emergency units	n.a.	Rehabilitation works were carried out at 77 hospitals, 123 were equipped with medical equipment, and 45 community centers were also rehabilitated and equipped.	MS 1. Construction of/equipping emergency regional hospitals (implementation period 2016-2023); 2. Rehabilitation/modernization and equipping of the county hospitals (Q4/2016); 3. Equipping healthcare providers with medical equipment and means of transportation (Q4/2016); 4. Rehabilitation/modernization/expanding/equipping the community socio-medical integrated centers, ambulatory and emergency units (implementation period 2016-2023). MDRAP 1. Construction of/equipping emergency regional hospitals (implementation period: from the moment of updating the feasibility studies by MS – until 2023); 2. Rehabilitation / modernization and	Increasing social Inclusion	MDRAP: Launching the public consultation of the specific Guidelines for each operation will be performed depending on the date of the healthcare infrastructure mapping completion and its results. Consequently, until MS does not finalize the necessary documents, the guides can not be launched for public consultation and, therefore, projects calls for proposals can not be launched.	MS: 278.13 mil. Lei (MS budget) for hospital rehabilitation; 435.15 mil. Lei (MS budget) for equipment of the healthcare providers MDRAP-POR: 638.30 mil. Euro (FEDR+ state budget), of which 300 mil. Euro for regional hospitals	Making investment to improve the quality of infrastructure of healthcare services and carrying on with equipping the healthcare providers contribute to the development at national, regional and local level, reducing the inequalities in terms of health

No CSR	CSR sub-categories / Short title of the measure/ Main policy objectives and relevance for CSR							
	Information on planned and already enacted measures							Foreseen impacts
	Description of the measures of direct relevance to address the CRSs				Europe 2020 objectives	Challenges/ Risks	Budgetary implications	Qualitative elements
	Description of the measure	Legal/ administrative instruments	Timetable on progress achieved in the last 12 months	Timetable on upcoming steps	Estimated contribution to Europe 2020 objectives	Specific Challenges/ Risks in implementing measures	Overall and yearly change in government	Qualitative description of foreseen impacts and their timing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				equipping of the county hospitals (implementation period: 2017-2023).				
3	Health Ensuring integrity in the healthcare system ¹²⁴ / Ensuring the access to healthcare for the population and the efficient use of funds from health							
	Improving the quality and efficiency of public services in the Romanian healthcare system by promoting integrity and accountability in resource management	n.a.	In order to increase the quality of healthcare services and / or to reduce the ethical vulnerabilities, the organization of a system for monitoring and control of notifications and complaints relating to infringements of the rights of patients by the health professionals, and the abuse of patients to healthcare professionals was regulated. This involves the Ethic Council and the Integrity Department of MS. In order to create a feedback system of the patient and to report to the competent structures a questionnaire which will be filled in by patients in health units was drafted.	1. Identifying and managing the risks of corruption in the public hospitals, the Public Health Directorates and MS structures (Q1/2017); 2. Monitoring the public procurement carried out by public hospitals (Q1/2017); 3. Monitoring the incompatibilities and conflicts of interest within the public health system (Q1/2017); 4. Improving the monitoring of income and expenditure budgets at public hospitals level (Q1/2017); 5. Improving the work of the Ethics Councilors and of the Patient Feedback Mechanism (Q1/2017); 6. Creating a portal for employment in the public health system (Q4/2017);	Increasing social Inclusion	n.a.	n.a.	Ensuring the access to healthcare for the population and the efficient use of funds from health

¹²⁴ The measure was not included in the *Action Plan for implementation of 2015 CSRs*.

No CSR	CSR sub-categories / Short title of the measure/ Main policy objectives and relevance for CSR							
	Information on planned and already enacted measures							Foreseen impacts
	Description of the measures of direct relevance to address the CRSs				Europe 2020 objectives	Challenges/ Risks	Budgetary implications	Qualitative elements
	Description of the measure	Legal/ administrative instruments	Timetable on progress achieved in the last 12 months	Timetable on upcoming steps	Estimated contribution to Europe 2020 objectives	Specific Challenges/ Risks in implementing measures	Overall and yearly change in government	Qualitative description of foreseen impacts and their timing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				7. Developing an action unique plan fighting fraud and corruption in the health system (Q2/2017); 8. Improving the management performance evaluation criteria for public hospitals leaders (Q4/2017); 9. Developing transparent criteria for funds allocating both in the public and private sectors (Q3/2017); 10. Developing e-Governance services for different authorizations, certifications or documents issued under health system (Q4/2017); 11. Developing analysis systems for strategic areas of the health system (Q4/2017).				
3	Social policies/education Application of the Law No 248/2015 on stimulating participation in preschool education of children from disadvantaged families / Stimulating access to and participation in preschool education of children from disadvantaged families							
	The Law offers to the local	- Law No 248/2015 on	- Law No 248/2015 on	1. Drafting a joint ministerial	It is estimated that	Non-inclusion of all	State budget	- Combating

No CSR	CSR sub-categories / Short title of the measure/ Main policy objectives and relevance for CSR							
	Information on planned and already enacted measures							Foreseen impacts
	Description of the measures of direct relevance to address the CRSs				Europe 2020 objectives	Challenges/ Risks	Budgetary implications	Qualitative elements
	Description of the measure	Legal/ administrative instruments	Timetable on progress achieved in the last 12 months	Timetable on upcoming steps	Estimated contribution to Europe 2020 objectives	Specific Challenges/ Risks in implementing measures	Overall and yearly change in government	Qualitative description of foreseen impacts and their timing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	authorities the opportunity to allocate social benefits from their local budgets by way of granting educational incentive for families at risk with children aged 3 to 6. Granting incentive is subject to compulsory attendance of a kind of pre-school education by children from families lacking material resources or with limited material resources. ¹²⁵	stimulating participation in preschool education of children from disadvantaged families; GD No 15/2016 on the approval of implementing regulation of Law No 248/2015 on stimulating participation in preschool education of children from disadvantaged families.	<i>stimulating participation in preschool education of children from disadvantaged families</i> came into force (Jan. 2016); <i>GD No 15/2016 on the approval of implementing regulation of Law No 248/2015 on stimulating participation in preschool education of children from disadvantaged families</i> was approved (Jan. 2016).	order of the ministers of finance, labour and education on the approval of the procedure for issuing and the format of social vouchers. 2. An order of the Minister of Finance on the approval of certification criteria for the units issuing social vouchers is required. 3. Setting-up a monitoring mechanism for the implementation of the law.	over 111,000 children (aged 3 to 6) will benefit from the law, provided they are regularly attending the pre-school education facilities (kindergarten). On the medium and long term this will help to reduce leaving amongst these children, while being aware of the importance the early education and care has later on in terms of school attainment and educational achievements of children and youth. Moreover, this measure will help in reducing poverty and increasing	the potential beneficiaries of the law because of administrative obstacles (eg. lack of identity documents, delays in the process of identification of beneficiaries to be carried out by local authorities, etc.)	In 2016, the funds approved ¹²⁶ by Law No 339/2015 on the State Budget 2016 will be distributed by GD at the proposal of MMFSPV and	poverty and social exclusion, by allocating resources such as vouchers to a well-defined category of beneficiaries. Facilitating access to the right to education for disadvantaged children. - Increasing the attainment rate of these children in school and their chances in advancing in education as far as possible. - Reducing the school dropout rate and crime rate. - Ensuring sustainable

¹²⁵ The beneficiaries receive a voucher which are not allowed to swap for cash but they can purchase food, clothing, toys or school supplies for children from disadvantaged families whose income per family member does not exceed twice the minimum wage guaranteed

¹²⁶ Art. 6 of Law 248/2015 sets out the minimum monthly nominal value of educational incentive of 0.1 ISR (social baseline indicator), expressed in Lei for each child enrolled in kindergarten who is beneficiary of this educational incentive.

No CSR	CSR sub-categories / Short title of the measure/ Main policy objectives and relevance for CSR							
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	Description of the measures of direct relevance to address the CRSs				Europe 2020 objectives	Challenges/ Risks	Budgetary implications	Qualitative elements
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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					social inclusion.			economic and social development by facilitating access to education.
4	Public enterprises (PE) Adopting the law on reforming the corporate governance of PE/ Reforming PE							
	Modifying the legal framework in force on corporate governance (GEO No 109/2011) by introducing the provisions on: preventing the political interferences in the management of the PE, guaranteeing the separation between the ownership of the tutelary public authorities and their policy-making function, and improving the function of the MPF and the tutelary public authorities on the Law application and overseeing the PEs performances.	Law	<i>Publishing the Final Report on evaluation of the implementation of the GEO No 109/2011</i> , drafted by independent evaluators. (February 2015); Rendering operational the Working Group mandated by the IC ¹²⁷ for the elaboration of the amendments to the GEO No 109/2011 (March 2015); Formulating the amendments to the GEO No 109/2011 (May 2015); Conducting consultations with IFI for improving the content of amendments provisions (June to September 2015); Approving the amendments by the president of IC and submitting them to public	1. Defending the amendments to the draft Law in order to be adopted by the Parliament (Q2/2016); 2. Elaborating the strategic and technical guidelines in the field of corporate governance including the framework documents and instruments for facilitating the unitary application of the corporate governance. (Q4/2016); 3. Elaborating the Annual Report on monitoring corporate governance (annually/ Q3 of the year prior to the reporting one); 4. Rendering operational the monitoring mechanism of the corporate governance	n.a.	1. Non-compliance with the deadlines due to the independent causes not related to the Government will, respectively postponing the debates on the amendments within the specialized commissions of the Chamber of Deputies. 2. Delaying the vote of the Parliament on the draft Law for the adoption of the GEO No 109/2011 with the amendments approved by the		1. Starting from 2017, the improvement of the administration and management of the PEs will be reflected in the evolution of their economic and financial performances. 2. Facilitating the unitary application of the GEO No 109/2011 in amended form.

¹²⁷ Interministerial Commission for monitoring and implementing the provisions of the GEO No 109/2011

No CSR	CSR sub-categories / Short title of the measure/ Main policy objectives and relevance for CSR							
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	Description of the measures of direct relevance to address the CRSs				Europe 2020 objectives	Challenges/ Risks	Budgetary implications	Qualitative elements
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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			debate (October 2015); Approving the final form of the amendments by the Government and submitting them to the Parliament (January 2016); Defending the amendments within the specialized commission of the Parliament (February to March 2016).	implementation and the oversight of the PEs performances – the pilot phase for 3 PEs (Q4/2016).		Government on 6 th of January – in this case the MFP function on monitoring will not be in force, therefore the monitoring mechanism will not become operational in due time.		

ANNEX 2 – NATIONAL EUROPE 2020 TARGETS

Europe 2020 objectives	National 2020 target	PROGRESS						
		Initial value/year	2010	2011	2012	2013	2014	2015
1. Employment rate for population aged 20-64	70%	-	64.8%*	63.8%*	64.8%*	64.7%*	65.7%**	66%**
2. Gross expenditure on R&D (% of GDP)	2% (1% public sources + 1% private sources)	0.47%** (0.28% public + 0.19% private)/2009	0.46%** (0.28% public + 0.18% private)	0.50%** (0.32% public + 0.18% private)	0.49% ** (0.30% public + 0.19% private)	0.39%** (0.27% public + 0.12% private)	0.38% ** (0.22% public + 0.16% private)	n.a.
3. Energy and climate change (20/20/20)								
<i>Reduction of greenhouse gas emissions as compared to 1990 levels¹²⁸</i>	20%	0%/1990	53.56%	51.69%	52.34%	56.32%	56.43%	n.a.
<i>Share of energy from renewable sources in the gross final energy consumption</i>	24%	17.6%*/2005	23.4%*	21.4%*	22.8%*	23.9%*	26.27%¹²⁹	n.a.
<i>Increase energy efficiency</i>	19%	-	n.a.	16.9%¹³⁰	16.6%¹³⁰	n.a.	n.a.	n.a.
<i>Reduction of primary energy consumption</i>	(10 Mtoe)	-	n.a.	7.25 Mtoe	7.3 Mtoe	n.a.	n.a.	n.a.
<i>Primary energy consumption (Mtoe)</i>	43 ¹³¹	33.9/2009*	34.3*	34.8*	33.6*	31.0*	30.8*	n.a.
4. Education								
<i>Early school leaving</i>	11.3%	15.9% /2008	19.3%*	18,1%*	17.8%*	17.3%*	18.1% *	18.9%^{P*}
<i>Share of population aged 30-34 years with tertiary education level</i>	26.7%	16%/2008	18.3%*	20.3%*	21.7%*	22.9%*	25%*	25.5%^{P*}
5. Promoting social inclusion, in particular by reducing poverty – reducing with at least 20 million the number of people at risk of poverty or social exclusion	Reducing with 580 thousand the number of people at risk of poverty or social inclusion as compared to 2008	0/2008	- 528 thousand people*	- 788 thousand people*	- 511 thousand people *	- 817 thousand people *	- 869 thousand people *	n.a.

* Source: Eurostat

¹²⁸ Data provided by MMAP, according to the last version of the *National Greenhouse Gas Inventory Report* (INEGES), drafted by Romania in March 2016, for the period 1989-2014

¹²⁹ According to the value reported by Romania to EC in the *Progress Report of Romania on the promotion and use of renewable energy*

¹³⁰ Data estimated by ME

¹³¹ The first *National Action Plan on Energy Efficiency* (PNAEE 1)

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
		<p>farmers that was financed by 2007-2013 programmes. In February 2016, there were contracted 633 projects (amounting 26.85 mil. Euro), financed under NRDP 2014-2020, aiming at setting up young farmers;</p> <ul style="list-style-type: none"> - ESF funded training programmes, counselling and job placement services, and validation of skills and qualifications acquired through non-formal and informal learning¹³⁵ for 171,224 persons living in rural areas or employed in subsistence agriculture;
	Vocational training	<ul style="list-style-type: none"> - More than 43,400 persons (out of which about 1,000 Roma people and 427 persons deprived of liberty) attended training classes, and about 17,700 persons entered the labour market within 12 months after the graduation of the training programmes; - ANOFM/NEA put into application the <i>professional card</i>, 137,039 cards were issued, out of which 24,039 cards for young persons <25 years old; - The continuous vocational training of workers was financed through ESF, about 416,514 persons improved their qualifications¹³⁶, and 48,319 farmers owing semi-subsistence agriculture holdings and young persons who took over a farm acquired new skills by attending training courses financed under EAFRD 2007-2013;
	Identifying the changing trends and short-term forecast of labour market developments	<p>The project <i>Partnership system of analysis and forecast of the labour market continuously adapted to the economic dynamic</i> facilitated the development of the analysis and forecast methodology, the procedure to implement the labour market analysis and the forecast mechanism, and the platform www.sistempartenerialdeocupare.ro, which can be accessed by both the employment agencies and the employers.</p>
<p>National R&D target [2% of GDP]</p> <p>In 2014, the total gross expenditure on R&D reached 0.38% of GDP¹³⁷ (0.22% of GDP – public sector and 0.16% of GDP – private sector), down by 0.01 percentage points per total expenditure as compared to 2013, but up by 0.04</p>	Developing human resources for research	<p>The <i>Human Resources</i> and <i>Ideas</i> Programmes of NPRDI II financially supported over 2,000 researchers (half being young researchers under 35 years old) within projects for post-doctoral research, for stimulating the formation of young independent research teams, for the award of research results or for supporting exploratory research activities. In 2014 the <i>Young Research Teams</i> competition financed 384 projects amounting 207 mil. Lei. ERDF 2014-2020 finances projects for <i>attracting high skilled researchers</i></p>

¹³⁵ SOP HRD 2007-2013, PA 5, KAI 5.2. Promoting long-term sustainability of rural areas in terms of human resources development and employment

¹³⁶ SOP HRD 2007-2013, PA 2, KAI 2.3 Access and participation in CVT, PA 3, KAI 3.1 Promoting entrepreneurial culture and KAI 3.2 Training and support for enterprises and employees to promote adaptability

¹³⁷ Provisional data published by INS in the *Communication No 291/16 November 2015 on the R&D activity in 2014*

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
<p>percentage points in the expenditure from private sector (0.27% of GDP - public sector and 0.12% of GDP – private sector).</p> <p>In 2014, 2,555.7 mil Lei were spent for the R&D activity in the four performance sectors¹³⁸, an increased value as compared to 2013 (2464.8 mil Lei). As compared with 2013, the expenditure for applied research increased by 3.5 percentage points, reaching 44% of the total expenditure, the one for basic research fell by 4.5 percentage points to 35.3% of the total expenditure and the expenditure for experimental development increased by 1.0 percentage point, from 19.7% in 2013 to 20.7%.</p>		<p><i>from abroad</i> in order to create scientific and technological competence centres in the smart specialization fields within a R&D institution or a host enterprise with R&D activity. Following the 2015 call for proposals, 186 projects (out of 208 submitted projects) promoted in the technical and scientific evaluation phase.</p>
	<p>Developing R&D infrastructure</p>	<p>Six projects for large scale R&D infrastructures (in the fields of environment, materials, innovative products and processes, health, exploratory and frontier research) financed under the <i>Capacities</i> Programme of NPRDI II and 158 projects for R&D infrastructures implemented by R&D institutes, universities and enterprises financed from ERDF 2007-2013 have been finalized, resulting 1,028 newly created or modernized labs.</p> <p>At the 2015 call for proposals for creating or upgrading public and private R&D centres and labs (financed from ERDF 2014-2020), out of the 149 projects submitted (39 submitted by enterprises), 133 promoted in the scientific and technical evaluation phase.</p>
	<p>Promoting the access to scientific research literature for all research organizations</p>	<p>Within the project <i>Anelis+</i> (financed from the stat budget under the <i>Capacities</i> Programme of NPRDI II), the IT infrastructure for the national electronic repository for scientific publications was created. In Q4/2015, the Unique Applicant Guide for OPC 2014-2020, section I was under public consultation, in order to launch the call for a support project (with a total budget of 35 mil. Euro) aiming at ensuring permanent access to publications via this infrastructure.</p>
<p>Improving the capacity of ANCSI to monitor the national RDI system</p>	<p>The project <i>Improving the efficiency of the electronic data monitoring of R&D activities</i> (financed from ESF 2007-2013, amounting to 8.5 mil Lei) was finalized in December 2015 and had the following results: the development of the Registry of Romanian Research Infrastructures (www.erris.gov.ro) and the development of the guides on the implementation of the legislation on intellectual property rights/employee's inventions and of the framework for reporting and monitoring the infrastructures and human resources from the national RDI system.</p>	

¹³⁸ The performance sectors are: the business performance sector, the government performance sector, the higher education performance sector, the non-profit private performance sector. The public sector comprises the government and higher education performance sectors and the private sector comprises the business and non-profit private performance sectors.

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
	Evaluation, classification and certification of national R&D institutes	<p>The regulatory framework on the evaluation and certification of the national R&D institutions has been improved: GO No 41/2015¹³⁹ which provides, inter alia, the need to complete the evaluation criteria and the increase of budget allocation up to 1% of GDP by 2020 and GD No 97/2016¹⁴⁰ introducing new evaluation criteria referring to the economic sustainability of the national R&D institutes, the impact of their activities on the national economic environment and the management efficiency were adopted.</p> <p>The Decision of ANCSI No 9008/2016 on the certification of the evaluated and classified R&D institutes has been published.</p>
	Developing the RDI activity in the private sector	<p>Under the <i>Partnership</i> and <i>Innovation</i> Programmes of NPRDI II, about 725 enterprises were financially supported in implementing collaborative projects for applied research, projects for the development of innovative products, systems and technologies and for stimulating the high tech export and 38 innovation vouchers were granted, the level of expenses reaching approx. 200 mil. Lei in 2015.</p> <p>ERDF 2007-2013 financed 444 RDI projects developed by enterprises (116 projects run by innovative start-ups and spin-offs), out of which 328 have been finalized resulting in 281 patent applications, 109 R&D results transferred and implemented in enterprises and 1,869 newly created jobs (cumulated expenses – 263 mil. Euro, private funds attracted – around 315 mil. Euro).</p> <p>Following the 2015 call for proposals, out of the 170 projects submitted by private entrepreneurs, 59 projects met the selection and evaluation criteria to be financed from ERDF 2014-2020.</p>
	Creating public-private partnerships for R&D and transfer of knowledge	ERDF 2014-2020 financially supports projects for creating <i>Knowledge Transfer Partnership</i> . Following the 2015 call for proposals, out of the 75 submitted projects, 56 met the evaluation and selection criteria.
	Granting fiscal facilities to enterprises with R&D activities	Based on the new Fiscal Code ¹⁴¹ , the joint Order of MENCs and MFP amending Order No 265/2015 was submitted for public debate and in order to expertise R&D activities, the <i>Registry of experts</i> and the methodology to expertise will be developed.

¹³⁹ Amending and supplementing *GO No 57/2002 on scientific research and technological development*

¹⁴⁰ Amending and supplementing *GD No 1062/2011 approving the methodological norms for the evaluation and classification in order to certify the units and institutions from the national R&D system* (approved in the Government meeting on 18 February 2016)

¹⁴¹ Law No 227/2015 on the Fiscal Code

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
	<p>Training researchers and engineers in issues related to industrial and intellectual property rights in order to improve the technological transfer</p> <p>Consolidate the European/ international dimension of RDI</p> <ul style="list-style-type: none"> - Support Romanian participation in European and international RDI programmes - Develop framework programmes for bilateral collaboration with developed countries in high tech fields <p>Implementing the pan-European infrastructure projects <i>Extreme Light Infrastructure – Nuclear Physics (ELI-NP)</i> and the <i>International Centre for Advanced Studies for Rivers-Deltas-Seas “Danubius”</i></p>	<p>In 2015, two training sessions took place (in July and September) on issues related to institutional strategic orientation of national R&D institutes, employee’s inventions, entrepreneurial ecosystem and specific funding programmes and the <i>Manual of Best Practices for the enforcement of the employees inventions</i> was elaborated.</p> <p>In 2015, Romania became member of the European Organization for Nuclear Research/ CERN.</p> <p>Over 156 projects with Romanian participation in <i>Horizon 2020</i> were financed and 252 R&D projects developed in the framework of 18 bilateral agreements (most important with Japan – 0.24 mil Lei, China – 0.75 mil Lei and South Africa – 0.675 mil Lei) continued to be implemented. At the end of 2015, the Unique Applicant Guide section H for projects aimed at creating synergies with actions from <i>Horizon 2020</i> and other RDI international programmes was submitted for public consultation.</p> <p>In Q1/2016, under the <i>International Cooperation</i> Programme of NPRDI III, the Romanian Space Agency¹⁴² launched the call for C3-2016 projects for supporting Romania’s participation in the STAR programmes of the European Space Agency.</p> <p>Within the project ELI-NP, the constructions of the civil buildings have been finalized, the construction of the special buildings for experiments continues and components for the laser and gamma beam systems have been purchased.¹⁴³</p> <p>The international ideas competition „<i>Laser Valley - Land of Lights</i>”¹⁴⁴ was launched in order to identify the main directions for the urban development of Măgurele city, in the perspective of the huge potential of ELI-NP.</p> <p>In order to support Romanian contributions to the <i>European Strategy for the Danube Region</i> in the RDI field, prerequisites were created for setting up the <i>International Centre for Advanced Studies for Rivers-Deltas-Seas „Danubius”</i>. In December 2015, EC approved Romania’s request to include the project on the list of infrastructures of pan-European interest,</p>

¹⁴² Romanian Space Agency is the organization coordinating the *Research, Development and Innovation Programme for Space Technology and Advanced Research – STAR*, programme approved by Law No 262/2011 ratifying the Agreement between Romania and the European Space Agency (ESA) and by the ANCS president Decision No 9031/2012

¹⁴³ 586 mil. Lei were spent for developing ELI-NP, out of which 486 mil. Lei from ERDF 2007-2013, between 2013 and 2015

¹⁴⁴ The competition is led by MENCS, in partnership with Ion Mincu University for Architecture and Urban Planning, Technical University for Civil Engineering Bucharest, Horia Hulubei National Institute for R&D in Physics and Nuclear Engineering and the City Hall of Măgurele.

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
		the project going to be financed from ERDF 2014-2020.
<p>National GHG emission target for 2020: [19% increase of non-ETS emissions¹⁴⁵ comparing to 2005 level]</p> <p>According to the latest data available¹⁴⁶, non-ETS emissions¹⁴⁷ decreased between 2005 and 2014 by 5.93% (from 71.34 mil. tonnes CO₂ equivalent to 67.11 mil. tonnes CO₂ equivalent). Romania meets the target regarding non-ETS emissions, assumed under Decision No 406/2009/EC.</p>	<p>Reducing GHG emissions in the energy sector</p> <ul style="list-style-type: none"> - Financing projects for the installation of systems that use energy from alternative, clean and without GHG emissions; - Upgrading large combustion plants and supporting the energy production from green sources. 	<p>Reducing GHG emissions and pollution in the energy sector</p> <ul style="list-style-type: none"> - On 31.12.2015, 3 projects were ongoing, 8 projects were suspended, for 12 projects the funding contracts were ceased, and 29 projects were cancelled under <i>the Programme for Increasing the Energy Production from Renewable Sources</i>, financed from the Environmental Fund. - Air quality in 7 towns will be significantly improved by upgrading 7 large combustion plants, funded through SOP Environment projects. 3 of these projects are completed, 4 projects will be completed in the first semester of 2016.
	<p>Limiting GHG emissions in the transport sector:</p> <ul style="list-style-type: none"> - Modernizing the passenger and freight rail transport by increasing technical and energy performance of the rolling stock - Stimulating car fleet renewal - Accrediting <i>Bucharest Henri Coanda International Airport</i> (AIHCB) according to the carbon management certification standard for airports, stipulated by the <i>Airport Carbon Accreditation Programme</i>¹⁴⁸ 	<p>Modernize the transport sector in order to render more efficient the use of resources and to reduce GHG emissions.</p> <ul style="list-style-type: none"> - 7 locomotives (4 LDE 2100 CP and 3 LE) and 33 rail tankers have been modernized, the spending (from own financial sources) amounting to approx. 14 mil. Lei. - In 2015 25,423 old cars with high level of emissions were scrapped under the RABLA Programme. - In the second part of 2015, the National Company Bucharest Airports obtained the certification of <i>Bucharest Henri Coanda International Airport</i> for the second level of accreditation, according to the carbon management certification standard for airports, stipulated by the <i>Airport Carbon Accreditation Programme</i>.
	<p>Expansion of the afforested area:</p> <ul style="list-style-type: none"> - Damaged lands afforestation (using financial support from the <i>Environmental Fund</i>, through <i>The National Programme for Afforestation of Damaged Lands</i>); - Afforestation made by RNP ROMSILVA - National Forest Administration; 	<p>Better use of damaged lands and improving environmental factors.</p> <ul style="list-style-type: none"> - In 2015, 829 ha of degraded land were afforested (42 ha by RNP ROMSILVA, 445 ha by Environmental Fund Administration – AFM, 342 ha by Forest Guards); other 516 ha were partial afforested and degraded lands were recovered through afforestation (191 ha – RNP ROMSILVA and 325 ha - Forest Guards); 10,441 ha of afforestation works in the national forest fund; 4,628 ha of forest additions and

¹⁴⁵ The emissions from sectors not covered by the *European Union Emission Trading Scheme* (ETS)

¹⁴⁶ Data supplied by MMAP, according to the latest version of the National Greenhouse Gas Inventory (INEGES), drafted by Romania in March 2016, for the period 1989-2014.

¹⁴⁷ The GHG emissions from sectors not covered by the European Union Emission Trading Scheme - EU ETS

¹⁴⁸ *The Airport Carbon Accreditation Programme*, launched in June 2009 by the Airports Council International/ACI, aims to assess the performances of airports in the management and reduction of carbon emissions resulting from the airport activities, as well as to apply a European standard with four accreditation levels: *mapping* (CO₂ emissions evaluation or airport's CO₂ footprint establishment), *reduction* (apply measures to reduce emissions), *optimization* (optimize the airport activities) and *neutrality* (implementing of emission capping measures by introducing the offset possibilities).

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
	<ul style="list-style-type: none"> - Afforestation made by Forest Guards. 	renovations (3,361 ha in the State owned forest managed by RNP-ROMSILVA and 1,267 ha of forest in private lands and managed by Territorial Administrative Units - UAT).
	<p>Expansion of green areas in cities</p> <ul style="list-style-type: none"> - Planting new parks, squares and alignments in cities, and updating and rehabilitating the existent green areas 	Improving the environmental factors and the environmental quality of life in cities <ul style="list-style-type: none"> - At the end of 2015, within the <i>National Program for the Improvement of Environmental Quality through Creating Green Areas in Towns</i>, 30 projects were funded for the extension, rehabilitation and creation of green areas in cities. Out of these, new parks were established through 23 projects (22 projects were completed in 2015).
	<p>Improving waste management, including hazardous waste</p> <ul style="list-style-type: none"> - Developing and implementing projects for integrated waste management systems (SOP Environment) - Starting new regional landfills and compost plants, in line with European standards, while closing old, irregular landfills (SOP Environment) 	Development of integrated waste management and rehabilitation of historically contaminated sites; better management of waste, including hazardous waste. <ul style="list-style-type: none"> - 32 projects for achieving integrated waste management systems were started and are in various stages of implementation; - 16 regional landfills were completed, and 189 old landfills from rural areas and 93 old landfills from urban areas were closed.
	<p>Protection of water resources and implementation of integrated water supply, treatment plants, sewage and wastewater treatment.</p> <ul style="list-style-type: none"> - Development of water supply integrated systems, and development and rehabilitation of treatment plants, sewage and wastewater treatment plants. 	Development, expansion and modernization of integrated systems of water supply, treatment plants, sewage and wastewater treatment plants, in the context of intensifying efforts to achieve the objectives set out in the <i>Treaty of Accession of Bulgaria and Romania to the European Union</i> . <ul style="list-style-type: none"> - In December 2015, 1423 national sewage networks have been identified, of which 870 are functional and 553 in various stages of execution. Regarding wastewater treatment plants, in December 2015, there were 861 treatment plants, of which 636 were functional and the other 225 new treatment stations were finalized, but the population has not been connected yet or they were in technological trial or decommissioned. The coverage with wastewater collection system corresponds to a biological load of approx. 63.5% population equivalents, while the coverage of wastewater treatment stations corresponding to a biological load of approx. 56.5% population equivalents. Investments during 2007 - 2015 wastewater infrastructure amounts to approx. 4.965 mil. Euro, of which 52.1% for the rehabilitation and extension of sewerage networks and 47.9% for the rehabilitation and construction of new wastewater

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
	<ul style="list-style-type: none"> - Expansion and modernization of water and wastewater systems (SOP Environment) 	<p>treatment plants.</p> <ul style="list-style-type: none"> - 107 wastewater treatment plants and 4,250 km of sewerage network were completed.
	<p>Implementation of adequate management systems for nature protection</p> <ul style="list-style-type: none"> - Preservation of biological diversity, natural habitats, wild flora and fauna; - The effective management of protected areas, giving priority to the <i>European Natura 2000 Network</i> (SOP Environment) 	<p>Preservation of biological diversity, natural habitats, wild flora and fauna and the efficient management of protected areas with priority for the <i>Natura 2000</i> European network.</p> <ul style="list-style-type: none"> - Approx. 325,932.04 ha of protected natural areas and <i>Natura 2000 Sites</i> currently benefit from nature preservation measures. - 293 protected areas were given in custody/administration and the management plans for 37 protected areas were approved.
	<p>National Strategy on Climate Change 2013-2020 implementation:</p> <ul style="list-style-type: none"> - The approval of the <i>National Strategy on Climate Change and Low Carbon Economic Growth (CRESC)</i>; - Drafting the <i>National Action Plan on Climate Change (PNASC)</i>; <p>- Setting up of a national database containing data and information on climate change.</p>	<p>National Strategy on Climate Change 2013-2020 implementation and CRESC and PNASC approval through GD.</p> <ul style="list-style-type: none"> - <i>The National Strategy on Climate Change (SNSC) 2013-2020</i> was subject to a triple process of broadening, strengthening and making operational under the OPERA-CLIMA Project¹⁴⁹. In this process, <i>The National Action Plan on Climate Change (PNASC)</i> and <i>The National Strategy on Climate Change and Low Carbon Economic Growth (CRESC)</i> were drafted and are in interministerial endorsement process. These strategic documents will help to create a stable investment framework in the medium and long term; CRESC Strategy covers in detail the period from now until 2030 and draws a roadmap for 2050. - The climate change database was created through the <i>OPERA-CLIMA Project</i> (www.opera-clima.ro). The platform was updated throughout the project implementation and afterwards the management role will be held by MMAP.
	<p>Improvement of protection systems against flood risk</p> <ul style="list-style-type: none"> - Carrying out simulation exercises on flood protection 	<p>The improvement of communication, information, education and awareness of population on flood risk</p> <ul style="list-style-type: none"> - During the period 11 May to 3 July 2015, simulation action of flooding and accidents at hydraulic structures was organized on river basins and counties. Since the timeframes established for the simulation exercises overlapped with real manifestation of dangerous hydro-meteorological phenomena that affected many areas of the country, in accordance with the Programme for conducting simulation exercises and taking into

¹⁴⁹ Operationalization of the National Strategy on Climate Change and development of the climate component within the 2014-2020 Operational Programs;

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
		<p>account addresses No 9647/MT/05.25.2015 (ABA Jiu), 10251/NB/25.05.2015 (ABA Siret), 8094/06.15.2015 (ABA Someș-Tisa), 9958/15.06.2015 (ABA Buzau-Ialomita), for 4 river basins out of the 11 these exercises were cancelled. Thus, simulation exercises were conducted in only 7 river basins (Barcău, Mureș, Arieș, Bârzava, Olt, Argeș, Bârlad), in the Water Basins Administrations of Criș, Mureș, Banat, Olt, Argeș-Vedea, Prut and Dobrogea-Litoral, in 14 counties (Bihor, Sălaj, Arad, Alba, Timiș, Caraș-Severin, Harghita, Covasna, Argeș, Dâmbovița, Vaslui, Bârlad, Tulcea, Constanța) and 77 municipalities. In 2016, simulation exercises will be held during May-July 2016, based on a theme approved by the MMAP.</p>
	<ul style="list-style-type: none"> - The extension and upgrade of flood risk protection systems; - Developing <i>Management Plans of Flood Risk</i> 	<ul style="list-style-type: none"> - 93.54 km of strengthened dams and 83.51 km rehabilitated dams that defend 67 localities were inaugurated. They have been designed and made for 1% insurance for flow, higher than the previous standards and according to the new <i>Flood Risk Management Strategy</i>. - All 12 Flood Risk Management Plans related to the 11 river basins and the Danube were finalized. These plans have been loaded into the EC WISE reporting system by 22 of March, 2016. Currently for these plans, the Strategic Environmental Assessment (SEA) is in progress and it will be approved by GD.
	<p>The training of staff involved in the effective implementation of EU environment legislation regarding the <i>Strategic Environmental Assessment (SEA)</i> and the <i>Environmental Impact Assessment (EIA)</i></p> <ul style="list-style-type: none"> - Organizing EIA/SEA training sessions at regional level and Jaspers training sessions; 	<p>The professional training of the staff from environment protection relevant authorities in terms of environment impact assessment and environmental assessment for the period 2014-2020.</p> <ul style="list-style-type: none"> - MMAP implemented “<i>The Professional Training for the Staff from Environmental Protection Relevant Authorities in Terms of Strategic Environmental Assessment and Environmental Impact Assessment for the period 2014-2020</i>” project, financed by 2007-2013 OPTA. Between July and December 2015, 15 regional training sessions and a JASPERS training session for staff of Environmental Authorities, AM and OIR were held. Environmental Authorities had five days training sessions that included two days of training sessions for the staff of AM and OIR. Staff training of the AM and ORI envisages the dissemination of information on EIA / SEA and how to use the information resulting from the regulatory acts issued by the Environmental Authorities on drafting

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
	<p>Promoting among local authorities and the population of the need to recover energy from municipal solid waste in high efficiency cogeneration plants</p> <ul style="list-style-type: none"> - A bioenergy agreement must be discussed by the experts and officials from the Romanian Ministry of Energy and from the Ministry of Environment and Energy of Baden-Wurttemberg (Germany); - Organizing events for promoting the need to local authorities to build incinerators to be included in the thermal power stations; <p>Deployment of alternative fuels infrastructure</p> <ul style="list-style-type: none"> - Transposition into the national legislation of the provisions of Directive 2014/94/EU on the deployment of alternative fuels infrastructure; <p>Planting shelterbelts</p>	<p>funding applications for the major projects to be submitted for EC approval.</p> <p>Increasing the information and awareness at the level of local authorities and the population on the need to eliminate municipal waste, by recovering the energy from the resulting alternative fuel and thermal treatment of municipal solid waste in high efficiency cogeneration plants.</p> <ul style="list-style-type: none"> - Discussions were initiated with the representatives of the Ministry of Environment and Energy of Baden-Württemberg and the German Agency for International Cooperation, for including in the Joint Commission Romania - Baden Württemberg Protocol (to be held in July 2016 in Stuttgart) provisions on cooperation in the field of bioenergy, in order to promote among the national authorities and the population, the need for energy recovery of municipal solid waste in high efficiency cogeneration plants. <p>ME will be associate partner in the <i>INCREASE Project "Integrated Concepts on bio energy and energy efficiency in selected regions of the Danube Area"</i>, if this project will be selected by INTERREG-Danube. Project coordinated by the GAIC (German Division – Europe – Southern Region)</p> <p>A solid alternative fuels infrastructure will be developed in Romania under the multiannual programme on creating an infrastructure of charging stations for electric vehicles.</p> <ul style="list-style-type: none"> - <i>The Inter-ministerial technical group¹⁵⁰ for the transposition of Directive 2014/94/EU on the deployment of alternative fuel infrastructure</i> was constituted, the transposition into the national legislation of the Directive is in progress and the initiator institution/ co-initiator institution for the legislative act is/are to be set. <p>Defence of certain areas, especially national importance roads, against bad climatic factors by planting shelterbelts under the <i>National Programme for Planting Shelterbelts for Highways and National Roads Protection</i>, approved by <i>Law No 289/2002 on shelterbelts</i>, as amended and supplemented.</p> <ul style="list-style-type: none"> - 23 feasibility studies were made for 436 ha of land (analysis and approval phase).

¹⁵⁰ Representatives of ME, MECRMA, MMAP, MAE, MAI, MDRAP, MFE, ANRE, MENCS – ANCSI and MT

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
<p>National 2020 target regarding the energy from renewable sources: [Share of energy from renewable sources in the gross final consumption: 24%]</p> <p>According to the value reported by Romania to EC through the <i>Progress Report on the Promotion and Use of Energy from Renewable Sources</i>, in 2014, the share of energy from renewable sources in the gross final consumption was of 26.27%.</p>	<p>Promoting RES through green certificates</p>	<p>Between January and December 2015, the electrical installed power accredited to implement the green certificates promotion system was of about 847 MW (including the electrical power in plants with temporary accreditation expired on 1 January 2015 and re-accredited during 2015).</p>
	<p>Developing the overcompensation analysis of the promotion system of green certificates</p>	<p><i>The 2014 Report on overcompensation analysis of the promotion system of green certificates</i> (posted on ANRE web page) concluded that there is no overcompensation risk for none of the technologies analyzed and decided that no measures are needed to reduce the number of green certificates for the producers to be accredited after 1 January 2016. The evaluation of specific indicators (specific investment/MW installed power, internal rate of profitability) is running in order to develop the 2015 overcompensation analysis of the promotion system of green certificates.</p>
	<p>Modernizing and achieving new electricity and heat generating capacities</p>	<p>By 22 February 2016, out of 89 signed financing contracts, 19 projects are under implementation, 37 projects have been finalized, 30 contracts have been cancelled, and other three are under cancellation. The approved financing amount (from ERDF) and State budget) for the 56 contracts (under implementation and finalized) is of 1,363 bln. Lei. 137 MW electrical installed power and 30 MW thermal installed power have been achieved as result of projects finalization.</p>
	<p>RES promotion through the Environmental Fund</p>	<p>In the framework of the <i>Programme for the installation of heating systems using renewable energy, including by replacement or supplementation of traditional heating systems (Green House)</i>, 4,764 contracts have been signed for individuals in 2015. The total value disbursed in 2015 was of approx. Lei 26.15 million (corresponding to a number of 4,358 applications/systems). To financially support legal entities, by 31 December 2015, in the framework of the same programme, two projects were under implementation and other two projects were finalized for which approx. 1.7 mil. Lei were disbursed in 2015.</p>
	<p>Achieving initial investments in hydropower plants</p>	<p>The production of electricity from RES will be extended by implementing two projects aiming to achieve initial investments in hydropower plants. The projects are under implementation, and the disbursement of payments is going to be made according to the contracts. Through the finalization of these projects an installed capacity of about 3.72 MW will be achieved.</p>
	<p>Achieving initial investments in plants using geothermal energy</p>	<p>Two projects aiming at initial investments in power plants using geothermal energy for heat generation are under implementation. The projects beneficiaries are UAT, and the total capacity installed after the projects implementation will be of 8.4 MW.</p>

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
<p>National 2020 target regarding the energy efficiency [absolute level of primary energy consumption: 42.99 Mtoe]</p> <p>According to Eurostat, in 2013, the primary energy consumption was of 31.0 Mtoe, and in 2014 of 30.8 Mtoe.</p>	<p>Implementing the state aid support scheme to promote high efficiency cogeneration</p>	<p>37 operators benefited from the support scheme between January and December 2015. About 1 bln. Lei was the bonus amounts awarded for the period 1 January - 31 December 2015.</p>
	<p>Extending until 2020 the implementation period of the programme <i>District Heating, Heat and Comfort</i></p>	<p>75 mil. Lei have been allocated for 2016 through the <i>State budget Law</i> to finance the programme <i>District Heating, Heat and Comfort</i>. GD No 602/2015 for amending and supplementing GD No 462/2006 for the approval of the programme <i>District Heating 2006-2015, Heat and Comfort</i> has been adopted.</p>
	<p>Modernizing and setting up new facilities and equipment in industrial enterprises</p>	<p>In order to support investments, in the framework of SOP ICE, 43 financing contracts were signed. Out of these, by 22 February 2016, 36 projects were finalized, six were cancelled, and one is under cancellation. The amount of approved financing (from ERDF and State budget) for the 36 finalized contracts is of about 244 mil. Lei.</p>
	<p>Modernizing METROREX rolling stock by procurement of new generation rolling stock</p>	<p>To increase energy efficiency in the transport field, the modernization of METROREX rolling stock has been continued by concluding a procurement contract for eight new trains. Out of these, four were delivered to METROREX and they are under technological tests, following that until the end of June 2016, all the trains to be delivered and put in operation with travellers.</p>
	<p>Increasing the energy efficiency in the residential and public buildings and in the public lighting</p>	<p>In the framework of the financing scheme <i>Support of investments in the energy efficiency of the multi-storey buildings (KAI 1.2 – ROP 2007- 2013)</i>, 135 projects were contracted to thermally rehabilitate 46,920 apartments, this representing 102.9% of ROP 2007-2013 proposed target.</p> <p>In the framework of a new package of measures (co-financed from ERDF in the framework of <i>ROP 2014-2020</i>), in March 2016 was launched the operation 3.1.A <i>Increasing the energy efficiency in the residential buildings</i>. By 2023, through <i>ROP 2014-2020</i>, the energy consumption in the residential sector will be reduced by improving the energy classification for 128,758 households.</p> <p><i>The National Programme on increasing the energy efficiency of the multi-storey buildings</i> implemented according GEO No 18/2009, with the subsequent amendments and completions, having an allocation of 25 mil. Lei in 2016, allows the finalization of works regarding the increasing of the energy performance for approx. 5,748 apartments.</p>
<p>National headline target on early school</p>	<p>Expanding early education services</p>	<p>- <i>Law No 248/2015 on stimulating participation in preschool education of children from disadvantaged families</i> offers to local authorities the</p>

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
<p>leaving [Early school leaving rate: 11.3%]</p> <p>According to the latest data of INS, in 2014, the indicator showed an increasing rate i.e. 18.1% (against 17.3% in 2013), and the provisional data for Q3/2015 indicate an early school leaving rate of 19.8%. By residence there is a large gap of approx. 21 p.p. between urban and rural areas, to the disadvantage of the latter (8.1% vs. 29.8% in 2014).</p>		<p>opportunity to support financially families at risk with children aged 3 to 6. Granting the incentive is subject to compulsory attendance of pre-school education by children from families lacking material resources or with limited material resources¹⁵¹. It is estimated that over 111,000 children will benefit from this law.</p>
	<p>Modernization of school curriculum for lower and upper secondary education, and VET</p>	<ul style="list-style-type: none"> - Since the school year 2013-2014 the new curriculum for preparatory grade and 1st grade has been implemented; in the 2014-2015 school year the school curriculum for the 2nd grade, and in the 2015-2016 school year the one for the 3rd grade. In the school year 2016-2017 the new curriculum for the 4th grade which has already been developed will be implemented. The development of new <i>Framework curriculum plans for lower and upper-secondary education</i> is ongoing. The ROSE project will provide technical assistance for the reviewing of upper secondary education (high school curriculum). - By the <i>Minister of Education and Scientific Research Order No 5293/2015</i> it was approved VET structure and the training standards. 200 training standards for the 3rd and 4th professional qualifications levels¹⁵² are in pending approval. VET curriculum will be reviewed during the school year 2015-2016 in order to be implemented in the 9th grade starting with the 2016-2017 school year.
	<p>Consolidating access to digital resources in school education and textbooks evaluation</p>	<ul style="list-style-type: none"> - The evaluation procedure for the 4th grade textbooks (including digital textbooks) was completed; following to be edited and published until the beginning of next school year. - In the case of textbooks for the grades 1-3 for which there were no tenders, the procedures shall be resumed¹⁵³.
	<p>Improving educational infrastructure</p>	<ul style="list-style-type: none"> - In terms of identifying investment needs for each school, the Collaboration protocol No 8070/3152/ dated 01.15.2015 was concluded between MENCS and MDRAP. MENCS requested school inspectorates to support local authorities in identifying investment works required to obtaining the operating permit. The database was completed and the

¹⁵¹ This social voucher cannot be swapped for cash but can be used to purchase food, clothing, toys or school supplies for children from disadvantaged families whose income per family member does not exceed twice the minimum wage guaranteed

¹⁵² National Qualifications Framework sets eight qualification levels that can be acquired through the formal education and training in Romania and through the recognition of learning outcomes acquired through formal and informal learning, from a lifelong learning perspective. Level 3 - certification for graduates of vocational/dual/compulsory education level; Level 4 - certification for high school graduates

¹⁵³ Opening of tenders is scheduled for 17 May 2016

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
	<p data-bbox="663 496 1182 548">Setting-up of a data collection and processing mechanism at MENCS level</p> <p data-bbox="663 670 1182 751">Strengthening technical vocational education and training, especially the work-based learning component</p> <p data-bbox="663 959 1182 1040">Approval and starting implementation of the National Strategy on Reducing Early School Leaving</p> <p data-bbox="663 1073 1182 1187">Replicating the prevention and intervention measures on early school leaving, including by tailored support for children exposed to early school leaving risk</p>	<p data-bbox="1203 350 1971 407">needs of each school were identified individually, giving preference to the buildings where teaching activities are actually carried out.</p> <p data-bbox="1203 407 1971 488">- In order to develop the <i>National strategy on educational infrastructure</i>, CNDIPT¹⁵⁴ was assigned by ministerial order as the institution in charge with the development of the strategy.</p> <p data-bbox="1203 496 1971 659">- The <i>Integrated Education Information System of Romania</i> (SIIR) is operational and encompasses a data collecting and processing mechanism and a series of modules¹⁵⁵, comprising reporting sections which lists both data export, and data summarizing and aggregating facilities by vertical.</p> <p data-bbox="1203 659 1971 716">- MENCS and INS are working together on a draft Memorandum on mutual support in building education statistics.</p> <p data-bbox="1203 716 1971 748">- The draft <i>Strategy of vocation education and training in Romania 2016-2020</i> was developed and is under inter-ministerial approval procedure. This strategy will aim at:</p> <ul data-bbox="1203 748 1971 951" style="list-style-type: none"> • Improving the relevance of vocational training systems to the labour market; • Increasing participation and facilitating access to vocational training programmes; • Improving the quality of vocational education and training; • Developing national and international innovation and cooperation in the field of vocational education and training. <p data-bbox="1203 959 1971 1008">- The <i>Strategy on reducing early school leaving</i> was completed in 2015 and approved by GD No 417/2015;</p> <p data-bbox="1203 1008 1971 1065">- According to the most realistic scenario, the overall cost of implementing this strategy for 2014-2020 reaches about 0.8 bln. Euro.</p> <p data-bbox="1203 1073 1971 1130">- MENCS has started a nationwide inventory of <i>School after school</i> type interventions¹⁵⁶.</p> <p data-bbox="1203 1130 1971 1219">- The <i>Second chance</i> programs for primary education and lower secondary education continues. This programme provides in the school year 2015-2016 as follows:</p> <ul data-bbox="1203 1219 1971 1248" style="list-style-type: none"> • Participation of 4,810 pupils in primary education;

¹⁵⁴ National Centre for Technical and Vocational Education and Training Development

¹⁵⁵ *School network, School enrolment plan, School management, Student management, Material resources, Enrolment in pre-school education, Enrolment in primary education.* Although it is technically operational, the module *Human Resources* requires inter-operability with EduSal unitary payment software

¹⁵⁶ An estimated cost for the students aged 11 to 17 involved in the programme indicates a need for 62,605,575 Euros/month (675 Euros/student/year x 92,749 students), out of which 53 million from ESF and 9.3 mil. from the state budget

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
		<ul style="list-style-type: none"> • Participation of 8,154 in lower secondary-education; • Training of 193 teaching staff for primary education and 292 teaching staff for lower secondary education, respectively. - About 80% of all high schools in state education (more than 1,100 high schools) will receive grants through the ROSE Project. The average value of a grant is 100,000 Euro and shall be dedicated to reducing the dropout rate in high schools, increasing graduation rate and improve attainment in high school graduation exam (baccalaureate). High schools proposals in this regard will include: remedial education activities, counselling, vocational guidance, personal development activities as well as extracurricular and information activities, such as study visits, training courses, participation in competitions, inter high-schools networking. - The <i>Vocational scholarship</i> programme continues, and the students attending the 3 years VET education receive a monthly grant of 200 Lei; in the school year 2015-2016 there were awarded 67,812 such grants, totalling 112.56 mil. Lei. <p>The social programmes that support pupils and students from vulnerable groups continue to run as follows:</p> <ul style="list-style-type: none"> - <i>School supplies</i>¹⁵⁷ - during the school year 2015-2016, there were provided school supplies of 11.85 mil. Lei equivalent for 55,234 beneficiaries, - <i>Money for high-school</i>¹⁵⁸ - in the school year 2015-2016 this aid is granted to a number of 60.660 beneficiaries and it amounts to 90.387 mil. Lei, - <i>Euro 200</i>¹⁵⁹ - in 2015 it amounts to roughly 16 mil. Lei. for 17,700 beneficiaries, - <i>Reimbursement of transportation costs</i>¹⁶⁰ -in January 2016, 133,238 pupils were reimbursed with a total amount of 80.25 mil. Lei - <i>School shuttles</i> -in 2015, 68 shuttles and 26 buses for pupils transportation were purchased and distributed

¹⁵⁷ Granting school supplies for pupils enrolled in primary and low-secondary education (daily-classes), who come from families whose average net income per family member is of maximum 50% of national minimum gross salary

¹⁵⁸ Monthly scholarship (allowances) for students from social and economic disadvantaged families in order to continue their studies after completing low-secondary education

¹⁵⁹ Financial aid granted in order to stimulate purchase of personal computer by pupils and students from social and economic disadvantaged areas

¹⁶⁰ Settlement of transportation of pupils and students is made on a monthly basis, depending on the supporting documents submitted by pupils.

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
<p>National headline target on tertiary education [Rate of young people aged 30-34 with tertiary education level: 26.7%]</p> <p>According to INS, the indicator has raised steadily in the recent years, from 16.7% in 2008 to 25% in 2014. Provisional data for Q3/2015 indicate 26%. However, there is a gap of over 31 p.p. between urban and rural areas, to the detriment of the latter (37.6% vs. 6.5% in 2014).</p>	<p>Approval and starting implementation of the National strategy on tertiary education 2015-2020</p> <p>Strengthening the mechanisms for monitoring the insertion of higher education graduates in the labour market and the strategic information system for higher education and educational policy making</p> <p>Supporting students from rural areas, disadvantaged groups and non-traditional students to participate in tertiary education</p>	<p>- <i>National strategy on tertiary education 2015-2020</i> was completed in 2015 with the support of WB and approved by GD No 565/2015.</p> <p>- Full cost of implementing the strategy is estimated at approx. 2.05 bln. Euro, of which 417.02 mil. Euro from ESIF.</p> <p>- The SOP HRD project <i>Evidence based policies and the impact on the labour market</i> (INFO-HE)¹⁶¹, completed in December 2015 has focused on the strengthening and development of integrated tools at national level to track the educational pathway of young graduates and the employability of higher education graduates to increase transparency and accountability of universities, and to enhance public confidence in higher education in Romania. The project developed, updated and implemented three IT systems:</p> <ul style="list-style-type: none"> • <i>Integrated Educational Register</i> (REI)¹⁶² – rei.gov.ro; • <i>National Student Enrolment Single Registry</i> (RMU)¹⁶³ – a component of rei.gov.ro. By RMU, universities can run administrative operations at student level achieving interoperability between existing databases at the pre-university and higher education levels, and facilitating retrieving data from SIIR in the RMU; • <i>Students, Graduates and Labour market</i> (SAPM) – sapm.forhe.ro. SAPM platform is a support tool in running inquiries targeting higher education, carrying-out monitoring studies on graduates' careers and consultations of students. <p>In January – September 2015, there were allocated as follows:</p> <ul style="list-style-type: none"> • For <i>students scholarships</i> a total amount of 183.58 mil. Lei, • <i>Grants for board and lodging</i> in dormitories a total amount of 132.54 mil. Lei, • Partial reimbursement of transportation costs for students a total amount of 23.93 mil. Lei. <p><i>Impact assessment studies on major social policies in higher education</i></p>

¹⁶¹ The project was implemented by UEFISCDI and coordinated scientifically by the National Council for Higher Education Funding (CNFIS)

¹⁶² The Integrated Educational Registry (REI) is a platform that provides access to the education route of an individual through the interconnection of management systems in the education sector. By means of REI one can access the National Student Enrolment Registry which is a platform that provides integrated data management on students enrolled in public and private universities in Romania

¹⁶³ The operationalization of the National Student Enrolment Registry was made in February-March 2016 for uploading data on students enrolled in the first year of study in the 2015-2016 academic year

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
		<p>were carried out (national system of student grants, social services, special places allocated for young Roma in state universities¹⁶⁴), the results being available online¹⁶⁵.</p> <p>The Loan Agreement between Romania and the IBRD was ratified and thus a loan of 200 mil. Euro was approved in order to finance the <i>Romanian Secondary Education Project (ROSE)</i>. The ROSE project aims both at increasing the transition rate of high school students into universities, and increasing participation in the first year of higher education.</p> <p>- <i>Lifelong learning strategy</i> was completed in 2015 and approved by GD No 418/2015¹⁶⁶.</p> <p>- Efforts are made to set up <i>Lifelong Learning Community Centres</i> whose core responsibility is identifying and meeting the lifelong learning needs of the local community members i.e. children, youth and adults. In this respect, it was established an inter-ministerial working group which reviewed the draft regulation on the approval of the <i>Methodology of organising Lifelong Learning Community Centres</i>. The document is under inter-ministerial approval procedure and it is expected to be approved in May 2016.</p>
<p>National poverty target [reducing the number of persons at risk of poverty and social exclusion: - 580.000 persons]</p> <p>In the year 2014, the number of persons at risk of poverty and social exclusion was reduced to 8,549 thousands persons compared to 9,418 thousands persons in the year 2008, namely by 869 thousands persons (9.2%).</p>	<p>Developing the daily childhood education and care services¹⁶⁷</p>	<p>Several projects that were in different implementation phases were contracted in order to establish 10 crèches for children under three years old, and four crèches/ social services for the disabled children; 350 preschool children and 70 Roma preschool children can benefit by these education facilities.</p>
	<p>Ensuring the basic food aid and access to education system of the poorest children</p>	<p>During December 2014 - May 2015, the number of beneficiaries was of 3,061,311 persons. The supply of food aid funded under Operational Programme Aid to the Most Deprived 2015/2016 starts in the first half of the year 2016.</p>

¹⁶⁴ In the academic year 2015-2016 there were allocated 611 places for young Roma in state universities entrance exams, compared to 602 vacancies in the previous academic year, and 594 in the academic year 2013-2014

¹⁶⁵ Available online at: <http://iemu.forhe.ro/conferinta/resurse/>

¹⁶⁶ On 9 February 2016, MENCs sent officially to EC a document by which the ministry ensures the ownerships of the strategy and the clarification materials requested by the EC, pending the validation of the strategy by the EC

¹⁶⁷ Mainstreaming Gender Equality and Promoting Work-Life Balance, a programme financed under EEA mechanism 2009-2014

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
	Delivering employment services to persons belonging to vulnerable groups	<ul style="list-style-type: none"> - UIB financed employment services for about 6,300 Roma people, 740 disabled persons and 157,676 persons living in rural areas; - The recruitment incentives granted to the employers in order to hire unemployed 45+ or single parents facilitated the employment of 15,780 persons, and 17,200 unemployed living in rural areas participated in training or skill evaluation programmes; - 72,901 persons belonging to vulnerable groups (out of which 5,230 Roma people, 3,846 disabled persons, and 731 post-institutionalized young persons) attended (re)qualification programmes or benefited by equal opportunity measures¹⁶⁸ financed by ESF. 1,465 social economy structures were established and 12,377 jobs were created;
	Developing small farms	EAFRD 2014-2020 finances investments in developing small farms. In February 2016, 1,254 projects (amounting 18.81 mil. Euro) were submitted, out of which 38 projects (amounting 0.57 mil. Euro) were selected;
	Preparing and implementing integrated community-led local development strategies in rural areas	In February 2016, 171 projects (amounting 2.32 mil. Euro) were contracted. The projects aimed at performing the consultation process and at drafting the strategy related to the 2014-2020 programming period. From 10 March until 28 April 2016, a new call for project proposal was launched in order to submit the local led development strategies ¹⁶⁹ that were drafted by beneficiaries. The financial support is granted to the implementation of actions and the running and animation costs.
	Reducing the social and economic disparities between rural and urban areas	EAFRD 2014-2020 finances investments dedicated to establishing, improving/ developing the education infrastructure ¹⁷⁰ , the local roads ¹⁷¹ , and the water supply/ waste water infrastructure ¹⁷² - in rural communities located in human agglomerations between 2,000 - 10,000 inhabitants. In February 2016, 694 projects amounting 705.1 mil. Euro were submitted (out of which 167 projects dedicated to education infrastructure, 361 projects dedicated to road infrastructure, 166 projects dedicated to water supply/ waste water infrastructure).

¹⁶⁸ SOP HRD 2007-2013, PA 6, KAI 6.1 Developing social economy, KAI 6.2 Improving access and participation for vulnerable groups on the labour market, and KAI 6.3 Promoting equal opportunities on the labour market

¹⁶⁹ NRDP 2014-2020, Sub-measure 19.2 Support to implement actions under local led development strategies and Sub-measure 19.4 Support for running and animation costs

¹⁷⁰ Establishing and modernizing (including equipments) kindergartens, only the ones outside the schools located in rural area, and developing and modernizing (including equipments) the upper secondary education units with a technological route of natural resources and environmental protection of VET schools in agriculture sector

¹⁷¹ Construction, development and/ or modernizing the local road network

¹⁷² Construction, development and/ or modernizing the public network of water supply/ water waste

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
<i>National Europe 2020 objectives</i>		
	Increasing the access of vulnerable people to health services	Implementation of 18 prophylactic and curative programmes continued (13 concerning women and children health) and 562,027 retired people with monthly income of less than 700 Lei/month benefited of the programme ensuring access to drugs in outpatient care. In 2015, the number of community nurses and health mediators increased with 5% (399 new community nurses and 95 new positions of health mediators were approved) and the funds approved in MS budget for health care activity at community level increased with 3 million Lei compared to 2014. 45 community health centres were set up within the project <i>Improving the health of the Roma population through Roma health mediators network consolidation</i> ¹⁷³ .
	Improving efficiency and financial sustainability of the health system	Measures with impact on introducing the financing based on performance criteria have been taken through: (i) introducing the integrated management plan for chronic diseases with major impact on diseases regarding the high cardiovascular risk, dyslipidemia, diabetes type 2, asthma, chronic obstructive disease, chronic kidney disease and (ii) introducing of the evaluation consultations of individual risk at asymptomatic adult, finalised by accomplishment of the medical risk chart for prevention, detection and treatment in a reasonable time of certain diseases and comorbidities associated, which will implicitly lead to a decrease of hospitalizations. Allocation of funds to the primary health care from total health expenditure from FNUASS, increased since 2014. In 2016, the budget for primary health care ¹⁷⁴ is 6.97%. By September 2015, 38 centralized public procurement procedures for the tetravalent vaccine and HIV AIDS drugs were launched. To develop the capacity to assess health technologies, for drugs, in view of updating the list of compensated drugs, in the first three quarters of 2015, a series of normative acts ¹⁷⁵ were elaborated to ensure financing sources for contracts cost-volume/cost-volume-outcome and to clarify the negotiation steps of these contracts. The <i>list containing the common international names of drugs destined for insured persons</i> was approved as well as the commune international names for drugs that are granted under the national

¹⁷³ Financed by the programme Initiatives in Public Health (the Norwegian Financial Mechanism 2009-2014)

¹⁷⁴ Excluding amounts for signed contracts cost-volume/cost-volume-outcome and for salary increases related to staff paid from public funds provided by GEO No 35/2015

¹⁷⁵ MS/CNAS Order No 3/1/2015 on model contract, the methodology for negotiation, conclusion and monitoring of implementation and operation of contracts cost-volume/cost-volume-outcome was amended by MS/CNAS Order No 573/199/2015 and MS/CNAS Order No 704/336/2015

Progress on implementation	List of measures that were implemented in response to the commitment and their state of play	Impacts of the measures (qualitative and/or quantitative)
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		health programs.
	Modernization of health infrastructure and healthcare network at regional level	MS continued the rehabilitation works at 77 hospitals and equipped with medical facilities 123 hospitals. Also, 45 community centres have been rehabilitated and equipped.
	Increasing the access of people to quality medical services	The working group on school medicine - composed of representatives of MS, MECS, CNAS and the professional organizations of school physicians - identified the need to amend the existing legislative framework in order to introduce provisions regarding organization, functioning and financing of the medical school network into the Law No 95/2006.
	Reducing the morbidity and mortality caused by communicable and non communicable diseases	The programme for active early detection of cervical cancer by the Babeş-Papanicolau test for female population eligible under screening is ongoing. 7 information/education/communication campaigns with relevant topics for health problems of vulnerable and disadvantaged groups were organized. During 20-25 April 2015, the <i>European Vaccination Week</i> celebrating campaign, targeting vulnerable population, was organized in 7 counties.
	Continuing computerization of the health system	With the support of specialist physicians were made: (i) equipping of 198 medical cabinets of family physicians from isolated rural areas with 5 types of medical equipment, (ii) equipping county hospitals from Braila, Galati, Tulcea and Constanta with 42 computers, UPS sources, web cams and 45 headsets with microphone and (iii) training of 198 family physicians, 510 specialist physicians, 20 operators for telemedicine system and 4 system administrators.