ANNEX 2

GOVERNMENT OF ROMANIA
MINISTRY OF EUROPEAN AFFAIRS

EURO PLUS PACT

IMPLEMENTATION REPORT

MARCH 15, 2012

Context

Based on the conclusions of the European Council in March 2011, the Member States that joined the pact committed themselves to define a series of concrete actions which will be achieved in the upcoming period of twelve months. These Member States presented their commitments in time to include them in the *Stability/ Convergence Programmes* and in the *National Reform Programmes*, submitted to the European Commission in April 2011.

Romania announced its decision to join the pact during the March 2011 European Council meeting. Its decision was made following the firm measures taken at national level, in order to strengthen public finances and promote sustainable growth.

The measures envisaged by Romania under the *Euro Plus Pact* have been adopted by the government through a memorandum, on the 29th of April 2011 and fully integrated in the *National Reform Programme 2011-2013.*

Monitoring the implementation of the Euro Plus Pact

By including the provisions of *Euro Plus Pact* in the *Stability/ Convergence Programmes* and in the *National Reform Programmes,* the pact has been integrated in the European Semester. In this way, a coherent assessment of the commitments undertaken under the pact and an efficient monitoring of the country specific recommendations are ensured.

In Romania[1], the coordination of the monitoring process of *Euro Plus Pact* is ensured by the Ministry of European Affairs (MAEur) together with the Ministry of Public Finances (MFP), according to their tasks of monitoring the implementation of *National Reform Programme* and, *Convergence Programme* respectively.

The monitoring mechanism is based on an *Action plan for the implementation of Euro Plus Pact*, with actions having concrete deadlines and responsibilities that aim to accomplish the objectives of the pact.

Thus, in each institution with responsibilities in the implementation of the *Euro Plus Pact,* an internal mechanism was set in order to monitor the actions of the pact; this mechanism allows the issue of early warnings for the politically responsible factors, as well as the initiation of adequate corrective measures.

With this methodological basis, these two coordinating ministries have elaborated an interim report on the implementation of the measures included in the pact (stage at 5 December 2011), sent to the government and approved by memorandum on the 28th of December 2011.

The present report contains the progress in implementing the commitments under the *Euro Plus Pact* as of March 15, 2012.

[1] In its meeting on the 24th of August 2011, Romania's Government adopted the memorandum for the approval of the monitoring methodology for the implementation of *Euro Plus Pact.*

Progress in the implementation of the measures

During the period March 2011 – March 2012, the institutions with responsibilities within the *Euro Plus Pact* implemented the measures included in the *Action plan for the implementation of Euro Plus Pact.* The accomplishment stage of these measures is presented as follows, on each of the four pillars of the pact.

1. Fostering competitiveness

Wage reduction in the public sector - as a percentage of GDP - was achieved through a significant drop in 2010, followed by a 15% return of the average wage in 2011, altogether with the continuation of these wage policy measures, in the form of elimination of the holiday bonus and the 13th salary and the replacement of only 1 of 7 positions that become vacant. The follow-up of this action ensures a downward trend of personnel expenses reported to GDP.

Through the *Framework Law No. 284/2010 regarding public funds paid wages*, in effect from January 1, 2011, the public payroll system was reformed and simplified, thus achieving the harmonization of the staff salary in the public sector to the importance, responsibility, complexity of activity and the necessary level of education.

In late 2011, as a result of further measures to decrease the number of employees in the public sector, the staff costs decreased below 7% of GDP.

In 2012, personnel costs continued a downward slope, estimated at 6.9% of GDP, with the prospect of increasing the figure up to 7.2% should the economic conditions allow it.

The policy of replacing one employee out of seven will continue as a policy to reduce public sector employment; however it will be implemented with flexibility, by applying it to sectoral or higher level, not for each institutional unit. According to the recently WB conducted functional analysis, this flexible approach allows removal of some bottlenecks occurring in areas where insufficient staff became a problem.

In terms of **prioritizing public investment**, resource allocation on projects (6.6% of GDP in 2012) should be judged by taking into account the increased absorption of EU funds. In the second half of 2011, MAEur coordinated the elaboration of a priority list summarizing projects financed from structural and cohesion funds, which include 100 major projects for national socio-economic development. The Government approved a list of projects and disposed its publication on the MAEur website on November 2, 2011.MAEur strictly monitors the pace of implementation, in order to identify corrective measures in case of delays and bottlenecks affecting the project objectives.

In January 2012, MAEur conducted an analysis, based on which the list of priority projects of strategic importance was extended. The extended list will be subject to government approval in early April, 2012.

The **state owned enterprises** urgently need accelerated reforms in order to become more efficient and support instead of hinder the economic growth. These reforms include selling, on the financial markets, major packages of shares in some state-owned companies and introducing a professional private management.

In the timeframe 14 - 27 March 2012, the Romanian state is selling, on Bucharest Stock Exchange, 10,995,472 shares of Transelectrica SA, representing 15% of the total issued shares, through a Secondary Public Offering. Transelectrica shareholders are the Ministry of Economy, Trade and Business Environment - 73.6882%, Property Fund - 13.4990% and other shareholders - 12.8127%. The government has established that investors may subscribe for the shares offered at prices ranging from 14.9 to 19.2 RON / share.

On March 6, 2012, the European Commission decided to close the investigation procedure for the complaint made by PetroCarboChem (as a minority shareholder). The European Commission considered that the measure No. 1 from the *Memorandum of Understanding between Romania and International Monetary Fund, EU and World Bank* (MoU) – namely *capital increase* of *Oltchim SA* by converting the AVAS debt, amounting approximately 135 million EUR, into shares, does not imply state aid. Thus, the conditions for the beginning of the privatization procedure, according to the MoU provisions, were created.

The need to **strengthen the capacity and to increase the performance of RDI system** led to the revision of *the legislative framework*, especially with regard to the institutional financing. Thus, by adopting GO No. 6/2011, a new system of assessment, classification and certification of R&D organizations was introduced in correlation with a new system of institutional funding (basic and additional funding). The legal act sets-up also the framework for involving foreign evaluators in the process of assessing the R&D programmes, projects and institutions.

Legal acts on revising the legislation on contracting, funding, monitoring and evaluating the programmes and projects included in the *National RDI Plan 2007-2013*, and on the methodological norms for the evaluation and classification of RDI units were also adopted. Based on these norms, calls for proposals have been launched for 2012 regarding financing instruments included in *Human Resources*, *Ideas* and *Partnerships* programmes.

In order to encourage SMEs to invest in their own R&D activities within the framework of the *National Plan for RDI – Innovation Programme*, the information package and the minimis aid scheme regarding the innovation voucher have been approved. The innovation check allows economic operators to directly purchase R&D services and will become operational starting the 2nd trimester 2012.

Further more, the amendments operated on the *Partnerships* programme and the way the budget is allocated for the competition launched in 2011 (still under evaluation) stimulate the guidance of the research activity towards the needs of the economy, foster partnerships between industry and research system and stimulate the private investment in research, so that 75% of the budget will be allocated to projects that have one economic partner willing to co-finance at least 7.5% of the project value.

For **developing European cooperation in the R&D field** and for adjusting the national R&D system to the European practices, Romania supports and participates to the common effort of creating the *European Research Area*. Measures aimed at developing the European dimension of the R&D polices and programmes increased the visibility and the capacity of Romanian researchers and research teams to distinguish themselves amongst international R&D bodies and programmes.

Promoting the *two strategic projects – Extreme Light Infrastructure (ELI) and International Centre for Advance Studies Danube - Danube Delta - Black Sea* – contributes to increasing the access to European and international information – documentation sources and infrastructures, as well as to raising the access level for Romanian researchers and research teams to scientific and technical production achieved in high technology fields.

By the end of 2011, Romania allocated about 4.8 million Euro for carrying out the feasibility study and the technical project for ELI. At the end of November 2011, the government approved the reallocation of 180 million Euro between the priority axes of SOP ICE in order to support ELI project (in 2012-2015 period). On February 16th 2012, ELI project has been admitted by the European Commission – DG Regio to enter under the analyses and verification procedure[2].

In order to support Romanian contributions to the *EU Strategy for Danube Region*, prerequisites were created for setting up the *International Centre for Advance Studies Danube – Danube Delta – Black Sea*. Debates on the structure, the scientific directions, the activities, the governance and financing of the centre were organized by the National Authority for Research. The preliminary version of a White Paper on the scientific fields approached within the international centre has been prepared, document which is going to be discussed during an international reunion, during May 2012.

2. Fostering employment

The economic and financial crisis led to new challenges, and in order to achieve the objectives on flexicurity and employment, the Romanian Government needs to strengthen the social dialogue and co-operation.

Modifying the *Law No. 40/2011 – Labour Code* was put into practice in order to render more flexible the labour relationships and to adapt them to the present social and economic conditions and to the dynamic evolution of the labour market. This process was carried forward by adopting the *Law No. 62/2011 on social dialogue* that get into practice the sectoral labour agreements, eliminating the collective labour agreements, and correlating the wage increase to the evolution of the sectoral labour productivity. Thus, the effect generated by the former collective labour agreements that could bring some economic imbalances was cut back.

In order to **stimulate employment**, the Romanian authorities initiated the amendment of the *Law no 76/2002 on unemployment insurance system and the employment stimulation*, aiming at simplifying the conditions on granting the job subsidies. The modifications envisage: (i) putting into practice the new measures to stimulate employment, in order to balance the labour demand and supply and to reduce the sectoral labour deficit; (ii) improving the actual employment measures and making them more attractive to the beneficiaries, and facilitating the transition from unemployment to employment; (iii) simplifying the implementation of the employment measures and adapting them to the present social and economic conditions and to the labour market needs.

For removing the administrative burden on the **access** of the less qualified young people **to apprenticeship at work**, new regulations were introduced by the *Law No. 106/2011 on amending and supplementing the Law No. 279/2005 on apprenticeship at work.* The modifications aimed at integrating youth on the labour market by: providing them with high quality vocational training; increasing the employment opportunities for young jobseekers, provided that they would benefit by suitable training and earning; correlating the youth skills to the employers' needs; increasing the youth employment rate.

With regard to the **adult vocational training**, the Romanian Government modified the

[2] In principal, the procedure lasts 90 days.

GO No. 129/2000 on the vocational training of adults. Consequently, the employees, jobseekers, employers associations, trade unions and professional associations could benefit by the provisions of the *Directive 2006/123/EC of the European Parliament and of the Council on 12 December 2006 on services in the internal market*[3].

For **tackling the undeclared work**, Romania adopted the *Law No. 52/2011 on activities provided occasionally by the day labourers.* The law rendered the employment procedures of day labourers more flexible and simple; in order to reduce the cases of illegal or not taxed work, provided that, in practice, the undeclared work comes out also by the illegal use of the day labourers without any labour agreement. The modification of the *Law No. 40/2011 – Labour Code* introduced a certain balance between tightening up the sanctions in case of illegal work and employee protection, so that the suitable conditions for the development of the business environment are provided.

Rendering the labour relationships more flexible, Romania has implemented the *National Action Plan on reducing the incidence of the undeclared work for 2010-2012.* Between January 1, 2011 and March 15, 2012, the Labour Inspection carried out 112,846 inspections, based on the plan. As a result inspections, 9,976 labour contracts for persons found without a legal work form were registered to the *General electronic employee recording*.

In the field of education and training, the national ***Lifelong Learning Strategy*** was drafted and the consultations with all stakeholders are ongoing, in Q1/2012 and the final version of this strategic document will be subject to public debate.

The methodologies developed by the Ministry of Education, Research, Youth and Sports in the areas of formal, informal and non-formal learning aim at ensuring equal access to education, quality education and openness to community needs.

In order to create a ***reference curriculum framework focused on skills***, a *Council for Curriculum* was set up and a *Reference curriculum framework schedule* was prepared. The *Framework curriculum* and *Curricula for preparatory class* were elaborated and submitted to public debate, while the curricula for Vocational Education and Training (VET) are currently under elaboration.

On the basis of several legal acts and for the first time in Romania, a **classification of universities** was made, as follows:

a) Universities focused on education;

b) Education and research universities or art and creation universities;

c) Advanced research and education universities.

Ranking is substantiated by the need to increase performance and quality of national higher education in Romania, to subsequently meet the strategic objectives for education and VET set by European Commission, the target on tertiary education attainment in *Europe 2020* strategy (*NRP 2011-2013*) and to ensure implementation of World Bank Functional Review recommendations for the Ministry of Education. Following the classification, public financing of public higher education institutions will be differentiated by category of universities, depending on their rank in the hierarchy.

[3] By modifying the *GO No. 129/2000 on the vocational training of adults, with subsequent amendments and completions*, the vocational training could be carried on by private or public legal and natural persons established in Romania, in other Member States or in EEA countries, irrespective on their legal form.

On the **simplification of the professional qualifications recognition**, in order to facilitate the free movement of workers, Romania automatically award the academic recognition to those qualifications obtained in EU Member States, EEA and Swiss Confederation, as well as to the PhDs obtained in the states aforementioned. Regarding the recognition of professional qualifications of regulated profession in Romania, a large number of public bodies in Romania automatically recognize the free practice permits obtained in another Member State, thus contributing to a rapid insertion within the national labour market of other European professionals.

By means of a Minister of Education's order, the *Methodology on issuing the certificate of conformity of studies according to Directive 2005/36 on recognition of professional qualifications* was adopted.

3. Strengthening public finances sustainability

On February 15, 2012, the governing coalition has signed *The Protocol for the ratification of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union* and agreed to ratify the Treaty by law. Consequently, on February 28, 2012, the government signed the Treaty on March 2, 2012.

The further fiscal consolidation contributed to improving Romania's credibility among its partners. In 2011, Romania was on the right track to reach the general budget deficit target of 4.4% of GDP (cash) and less than 5% of GDP (ESA).

The execution of the general consolidated budget as of December 31, 2011, ended with a deficit of 23.8 billion Lei, representing 4.35% of GDP, below the estimated deficit target of 23.9 billion Lei, representing 4.37% of GDP.

The deficit foreseen for 2012 is of 3% of GDP in accrual base, representing 1.9% of GDP in cash base, which will be revised during the year in accordance with domestic and foreign economic developments, while ensuring the termination of the excessive deficit procedure, started for Romania in 2009, following the deficit registered in 2008.

The arrears and unpaid bills at the level of the general consolidated budget (excluding state-owned enterprises) have continued to decrease since the beginning of 2011. The arrears account now for less than 0.2% of GDP (almost all of them belonging to the local authorities). For the state-owned enterprises subjected to monitoring through the EU/IMF financial assistance programme, the arrears have decreased in the fourth quarter of 2011 by almost 0.8% of GDP, representing 2.6% of GDP.

In the health sector, the arrears pertaining to registered invoices have been fully eliminated, while the unregistered invoices, discovered during the screening process until the end of 2011, have been fully registered in the system and programmed for payment.

At local level, the arrears decreased in 2011. This trend could be accelerated, as the new amendments brought to the *Law on the local public finances* prevent for the accumulation of new arrears. Particularly, the necessary financial resources for the projects of local authorities, co-financed by the state budget, will be ensured, while remaining under the expenditure ceilings of the coordinating ministries. Financing these projects on the medium term will be guaranteed by means of multi-annual contracts, signed between the coordinating ministries and local authorities, while respecting the provisions of the *Law on local public finances*.

In order to ensure **financial predictability of pre-university education**, the *Law on*

National Education provides that basic funding is based on the principle “financial resource follows the student”, under which the individual allowance for student’s or pupil’s education is transferred to the school where the pupil / student attains classes. To this end, the *Government Decision No. 1274/2011 on the methodology for the calculation of the standard cost per student / early education pupil and funding of the pre-university public schools, funded by local budgets, on the basis of cost standards for 2012* was adopted. This decision provides that cost standards per student / early education pupil / school year are set for each level of education, branch, profile, specialization / field, depending on the size and type of school, urban / rural area and temperature coefficients of geographic area.

Starting with January 1, 2011, in order to increase the efficiency of the **social protection**, a new way of *granting the child raising allowance* was set up in Romania. Under this programme, parents can choose from two options of granting the parental leave allowance; the legislation assures the employment protection of the beneficiaries, the employer being forbidden to dismiss them for a period of six months after they return to work.

The implementation of the social assistance system reform aims to better redistribute the financial and human resources within the system, including the level of the decentralized structures of the local public administration.

The *Law No. 292/2011 on social assistance* set up a new classification and definition of the social benefits and social services, in order to facilitate the access of all vulnerable groups to these services simultaneously to the system sustainability. The law aimed at reducing the dependence on the social state aid by an active participation of the beneficiaries to the custom-tailored supporting programmes. Also, the law foreseen that the social benefits financed by the State budget or by the local budgets are to be granted only provided that the beneficiaries are paying their fiscal duties to the local budgets.

On December 2011, the *EGO No. 124/2011 on modifying and completing some laws regulating the social benefit granting* was published. The law stated that the payment of the fiscal duty is not a prerequisite on setting up the social benefits, but to maintain them. In case that the beneficiary pays these fiscal duties, within a period of five months after their cessation as foreseen by the law, the social benefit payment is resumed including for the period it was ceased.

4. Reinforcing financial stability

Financial stability remained robust in 2011, despite the difficult global and domestic economic conditions. Risks to the banking sector were countered by credit institutions’ own efforts which translated into consolidation of solvency, provisioning and liquidity levels amid the *National Bank of Romania’*s (BNR) measures addressing prudential regulation, supervision and adequate management of risks faced by the banking system. Most of the actions falling within the BNR’s scope designed to contribute to ensuring the smooth and stable functioning of the financial sector were fully accomplished, while the deadline proposed for fulfilling the remaining actions is 30 April 2012, in line with the commitments assumed by the Romanian authorities in the *Letter of Intent* submitted to the International Monetary Fund in February 2012.

Implementation of IFRS (*International Financial Reporting Standards*) is consistent with the global trend of harmonising national standards with international financial reporting ones, given the current economic and financial developments, which point to the globalisation of banking operations and hence to an increased need for worldwide consistency of the accounting rules underlying the disclosed financial information.

The measures proposed for the implementation of IFRS were achieved by: i) submitting the comparative accounting monographs to the Ministry of Public Finance in order to facilitate the understanding of the accounting treatment differences; ii) updating the accounting and statistical reporting framework[4] in terms of the introduction of the new accounting standards; iii) updating and submitting the guidelines for the MRR (*minimum reserve requirements*) reporting framework to credit institutions; iv) updating the prudential regulations[5] and making recommendations as concerns prudential filters to further secure a prudent policy stance regarding solvency, provisioning and bank reserves. The amendments to the regulatory framework are not intended to bring about significant changes in the capitalisation, provisioning and liquidity levels of credit institutions in Romania, as the prudential requirements in force implemented by the BNR ensure adequate risk coverage.

With regard to the **consolidation of the banking system**, the implementation of the measures agreed under the financing arrangements signed with the EU and IMF for the 2009-2011 period supported the firm implementation of macro prudential policies. The new type of precautionary arrangement concluded with the EU, IMF and the World Bank in 2011 and the commitments assumed by the Romanian authorities under the *National Reform Programme for 2011-2013*, are key issues for maintaining financial stability and further implementing structural reforms in order to boost the economic growth potential.

With a view to strengthening the banking system, starting 1 September 2011, GO *No. 13/2011 on the penalty and remunerative legal interest for monetary obligations, as well as on some financial and fiscal measures in the banking sector* came into force. The Ordinance amends the legislation so that the resources of the *Bank Deposit Guarantee Fund* may be used to finance the restructuring measures authorised by BNR regarding the transfer of deposits and the legal acts included in the legal framework regarding the activity of the Bank Deposit Guarantee Fund should be compliant with those applicable to credit institutions.

In addition, BNR developed the standard contractual framework for purchase and assumption transactions (acquisition of assets and assumption of liabilities) and is currently working on completing the measures[6] on the drawing-up of internal procedures for exercising the new responsibilities related to the restructuring of credit institutions in distress.

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[4] To this end, BNR issued three legal acts: BNR Order No. 1/2011, published in Romania's Official Journal No. 153 and 153 (a) of 2 March 2011, BNR Order No. 2/2011, published in Romania's Official Journal No. 418 and 418 (a) of 15 June 2011 and BNR Order No. 3/2011, published in Romania's Official Journal No. 418 and 418 (a) of 15 June 2011.

[5] A number of 16 legal acts intended to update the prudential regulations in view of implementing the new accounting standards were published in Romania's Official Journal.

[6] On 21 January 2012, *GO No. 1/2012 on amending and supplementing certain legal acts on credit institutions*, amending *EGO No. 99/2006 on credit institutions and capital adequacy* and *GO No. 39/1996 regarding the setting-up and operation of the Bank Deposit Guarantee Fund* came into force. In addition, a working group was created under the coordination of BNR first deputy governor, focusing on the development of all the necessary procedures for the implementation of the new responsibilities related to the restructuring of credit institutions, including for the implementation of the stabilisation measures subject to GO No. 1/2012.

With a view to facilitating credit institutions' access to liquidity, starting with 3 October 2011, BNR expanded the list of assets eligible for use in open market operations by including EUR-denominated bonds issued by Romania and RON-denominated bonds issued by international financial institutions (IFIs) – deposited with the *Euroclear System*, following the start of operation of the *direct connection of SaFIR with Euroclear*. In order to further expand the list of eligible assets, the RON-denominated bonds issued by IFIs, deposited with the *RoClear* system, shall also be deemed eligible assets after BNR signs the agreement on the participation in the *RoClear* system and the direct *SaFIR-RoClear* connection[7] becomes operational.

In order to ensure a prudential treatment of temporary debt-to-equity swaps as a result of loan restructuring, which should prevent the weakening of banks' financial position, BNR has elaborated Regulation No. 26/2011[8].

Furthermore, BNR has been closely monitoring[9] foreign currency lending by sector (non-financial corporations and households[10]) and will continue to do so, including by adopting the necessary measures so that unhedged borrowers' risks are properly covered and accurately reflected in the prices of financial services. BNR's actions are consistent with the general line of action at the EU level seeking to achieve a balanced resumption of lending, with a focus on loans in domestic currency to the detriment of loans in foreign currency, while equally ensuring an adequate management of the outstanding stock of loans in foreign currency. In order to comply with the European Systemic Risk Board's recommendations in the field, the central bank considers an analysis of the need and timeliness to adjust the regulatory framework and, possibly, to expand the set of instruments for monitoring the risks to financial stability arising from lending in foreign currency.

BNR has finalised[11] the measures for developing **a contingency plan in the banking sector**. To this end, an internal procedure was drafted with a view to identifying systemically important banks. The procedure shall establish the criteria and parameters for assessing the systemic nature of a credit institution and it is to be approved by BNR, as part of a larger package of procedures relative to the bridge bank instrument. Moreover, a set of press releases[12] was compiled concerning the three types of stabilisation measures set forth in GO No. 1/2012.

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[7] The connection is technically completed and the General Assembly of Shareholders of Depozitarul Central S.A. (Central Depository) accepted BNR's proposals and approved the list of fees applicable to central banks. Depozitarul Central S.A. is to submit the participation agreement to BNR to be signed. The agreement is expected to be signed by 15 March 2012, when the direct SaFIR – RoClear connection should also start operating.

[8] *BNR Regulation No. 26/2011 on temporary debt-to-equity swaps during the provision of financial assistance to or the financial restructuring of non-financial sector entities* was published in Romania's Official Journal No. 855 of 5 December 2011.

[9] The *2011 Financial Stability Report* (available on BNR's website starting with September 2011) encompasses the most important conclusions of the monitoring process, as well as new policy measures BNR intends to adopt.

[10] *BNR Regulation No. 24/2011 on retail lending* was published in Romania's Official Journal No. 767 of 31 October 2011.

[11] The envisaged deadline is 30 April 2012, in compliance with the provisions of paragraph 14 of the Memorandum of economic and financial policies annexed to the Letter of Intent submitted to the IMF in February 2012.

[12] They are to be included in the draft procedure on external communication where the BNR decides on the enforcement of restructuring measures of banks whose activity is deemed to possibly impair the functioning of the financial system, which is part of BNR's internal procedures on the implementation of the bridge bank instrument.

In order to update both its corrective policies and resolution instruments, BNR will assess the need to supplement the array of resolution instruments in compliance with the provisions of the *Directive on an EU framework for bank recovery and resolution*, upon its completion and entry into force.

Conclusions and recommendations

Since the adopting of the *Euro Plus Pact*, Romania has made significant progress, especially in the field of public finances sustainability and financial stability reinforcing. These efforts were strengthened by the prioritization of public spending and by prudent fiscal-budgetary and credit policies.

In this respect, when establishing the future commitments to be undertaken within the pact, a special attention should be paid to a better prioritisation of the measures, particularly of the ones meant to differentially stimulate economic growth and employment. Also, the new reform commitments should be more specific for each of the fields of the pact and easier to be monitored.

Romania's Government will continue to monitor carefully the implementation of the measures included in the *Euro Plus Pact* and will take into consideration the country specific recommendations and all other recommendations of the Council or the European Commission.