



NATIONAL REFORM PROGRAMME 2022

BUCHAREST
APRIL 2022

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ABBREVIATION INDEX

ABA	Water Basin Administration
ACOP	Administrative Capacity Operational Programme 2014-2020
ADOP	Aid to the Most Deprived Operational Programme 2014-2020
ADR	Authority for the Digitalisation of Romania
AFER	Romanian Railway Authority
AFM	Environment Fund Administration
ANAF	National Agency for Fiscal Administration
ANANP	National Agency for Natural Protected Areas
ANAP	National Agency for Public Procurement
ANAR	“Romanian Waters” National Administration
ANC	National Authority for Qualifications
ANCOM	National Authority for Management and Regulation in Communications
ANCPI	National Agency for Cadastre and Land Registration
ANFP	National Agency of Civil Servants
ANI	National Integrity Agency
ANIF	National Agency for Land Improvement
ANMCS	National Authority for Quality Management in Health
ANOFM	National Agency for Employment
ANPDPD	National Authority for Protecting the Rights of Persons with Disabilities
ANRE	National Energy Regulatory Authority
ANS	National Platform for Collection of Statistical Data for Higher Education
ARACIP	Romanian Agency for Quality Assurance in Pre-University Education
ARACIS	Romanian Agency for Quality Assurance in Higher Education
ARF	Railway Reform Authority
ASF	Financial Supervisory Authority
BNR	National Bank of Romania
BS	State Budget
CC	Competition Council
CEF	Connecting Europe Facility
CF	Cohesion Fund
CFR	National Railway Company "CFR" S.A.
CNAIR	National Company for Road Infrastructure Administration S.A.
CNAS	National Health Insurance House
CNCISCAP	National Committee for Coordinating the Implementation of the Strategy for Public Administration Consolidation 2014-2020
CNDIPT	National Center for the Development of Vocational and Technical Education
CNG	Compressed natural gas
CNIR	National Road Investment Company S.A.
CNSC	National Council for Solving Complaints
CNSP	National Commission for Strategy and Prognosis
CNTDS	National Tripartite Council for Social Dialogue
COP	Competitiveness Operational Programme 2014-2020
CSM	Superior Council of Magistracy
CSRs	Country Specific Recommendations
DDD	Department of Sustainable Development
DSS	Decisional support system
DSU	Department for Emergency Situations
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EEA	European Economic Area
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EIF	European Investment Fund
EPO	European Patent Office

ERA	European Research Area
ERDF	European Regional Development Fund
ERTMS	European Rail Traffic Management System
ESA	European System of Accounts
ESF	European Social Fund
ESIF	European Structural and Investment Funds
EU	European Union
FEAD	Fund for European Aid to the Most Deprived
GD	Government Decision
GDP	Gross Domestic Product
GEO	Government Emergency Ordinance
GHG	Greenhouse gas
GTMP	<i>General Transport Master Plan of Romania</i>
HCOP	Human Capital Operational Programme 2014-2020
HOP	Health Operational Programme 2021-2027
IGSU	General Inspectorate for Emergency Situations
INA	National Institute of Administration
INHGA	National Institute of Hydrology and Water Management
INS	National Institute of Statistics
ITI	Integrated Territorial Investment
ITS	Intelligent Transport Systems
LIOP	Large Infrastructure Operational Programme 2014-2020
MA	Managing Authority
MADR	Ministry of Agriculture and Rural Development
MAI	Ministry of Internal Affairs
MAT	Ministry of Entrepreneurship and Tourism
MC	Ministry of Culture
MCID	Ministry of Research, Innovation and Digitalisation
MDLPA	Ministry of Development, Public Works and Administration
MEc	Ministry of Economy
MEd	Ministry of Education
Metrorex	Bucharest Metro Transport Company "Metrorex" S.A.
MF	Ministry of Finance
MIPE	Ministry of Investments and European Projects
MJ	Ministry of Justice
MMAP	Ministry of Environment, Water and Forests
MMSS	Ministry of Labour and Social Solidarity
MS	Ministry of Health
MTI	Ministry of Transport and Infrastructure
NFIs	Non-Banking Financial Institutions
NGO	Non-Governmental Organization
NPRDI	<i>National Plan for Research, Development and Innovation</i>
NQF	National Qualifications Framework
NRDP	<i>National Rural Development Programme 2014-2020</i>
NRP	<i>National Reform Programme</i>
NRRP	<i>National Recovery and Resilience Plan</i>
NSDI	National Sustainable Development Indicators
NSDSR	<i>National Sustainable Development Strategy of Romania 2030</i>
OECD	Organization for Economic Cooperation and Development
OJ	Official Journal of Romania
OM	Order of the minister
ONAC	National Office for Centralized Procurement
ONRC	National Trade Register Office
ONU	United Nations Organization
OP	Operational Programme
OPFMA	Operational Programme for Fisheries and Maritime Affairs 2014-2020

OS	Occupational standards
OSIM	State Office for Inventions and Trademarks
PA	Priority Axis
PASSA	Project Advisory Support Service Agreement
PE	Public Enterprise
PES	Public Employment Service
PNDL	<i>National Programme for Local Development</i>
PNRAS	<i>National Programme for Reducing School Dropout</i>
PO	President's Order (President of Agency, Institute etc.)
RDI	Research, Development and Innovation
REI	Integrated Educational Register
RES	Renewable energy sources
RMU	Unique Matriculation Register
RNMCA	National Air Quality Monitoring Network
ROP	Regional Operational Programme 2014-2020
RRF	Recovery and Resilience Facility
SACET	Centralized heating supply system
SDG	Sustainable Development Goals
SDOP	Sustainable Development Operational Programme 2021-2027
SEAP	Electronic System for Public Procurement
SEN	National Power System
SGG	Secretariat-General of the Government
SICAP	Environmental Information System for performing collaborative development of public procurement
SIIR	The Integrated Information System of Education in Romania
SIPOCA	Information system of ACOP
SMEs	Small and Medium Enterprises
SMG	Natural gas metering station
SNT	National Transport System
SO	Specific Objective
SOP	Environment Sectoral Operational Programme 2007-2013
Environment	
SPV	Virtual Private Space
STS	Special Telecommunications Service
TAD	Territorial and Administrative Division
TAOP	Technical Assistance Operational Programme 2014-2020
TAROM	Romanian National Air Transport Company S.A.
TEN-T	Trans-European Networks - Transport
TOP	Transport Operational Programme 2021-2027
TSI	Technical Support Instrument
TVET	Technical Vocational Education and Training
UEFISCDI	Executive Unit for Financing Higher Education, Research, Development and Innovation
UIB	Unemployment Insurance Budget
USPTO	United States Patent and Trademarks Office
UWWTD	Urban Waste Water Treatment Directive
VAT	Value Added Tax
VET	Vocational Education and Training
WB	World Bank
WEEE	Waste from electrical and electronic equipment

1. INTRODUCTION

The National Reform Programme (NRP) remains the framework platform for advancing measures to address the challenges identified in the *European Semester*. EU Member States submit their NRPs pursuant to *Regulation (EU) No 1175/2011 of the European Parliament and of the Council of 16 November 2011 amending Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies*¹.

The European Commission (the EC)'s vision in its 2022 Annual Sustainable Growth Survey (ASGS 2022), which is the EU paper that launched the European Semester 2022, is to maintain, again this year, the four priorities put forward in 2019, namely: *environmental sustainability, productivity, fairness and macroeconomic stability*. The major topics addressed by the EC in ASGS 2022, *the dual - green and digital - transition*, but also the EU's social objectives (in line with the European Pillar of Social Rights) are enclosed in the NRP 2022, through actions in areas such as employment, health, education and skills. ASGS 2022 also aims to gradually shift economic policy coordination from a pandemic crisis-oriented approach to laying the foundations for a socially inclusive economic recovery and stronger resilience. This is also the case of Romania's 2022 NRP which focuses on sustainable development oriented reforms and investments.

The European Semester exercise is complementary to the implementation of the Recovery and Resilience Facility (RRF). The intrinsic link between the European Semester and the RRF results, on the one hand, from the fact that, in order to access the funds, EU member states have developed and started implementing their National Recovery and Resilience Plans (NRRPs). Containing reforms and investments supporting the implementation of the 2019 and 2020 Country Specific Recommendations (CSRs), and their green and digital transition; on the other hand, art. 27 of the *Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility* provides for biannual reporting obligations to be fulfilled by member states regarding the application of the NRRP, NRP being one of the reporting tools used to that end. As such, the 2022 NRP has, as annexes, two reporting tables presenting the state of play of those measures that meet the 2019, 2020 and 2021 CSRs (i.e. CeSaR electronic database)², and those measures through which the progress in the implementation of NRRP (FENIX electronic database)³ has been recorded.

Thus, in order to ensure the complementarity and consistence between the two documents, the 2022 NRP includes both measures to meet CSRs, but also to other challenges pointed out in the European Semester, which arise mainly from the Country Reports.

Therefore, the 2022 NRP has the contents below:

- **Chapter 1** - Introduction;
- **Chapter 2** - The macroeconomic context and scenario;
- **Chapter 3** - Reform priorities (areas addressed within the European Semester);
- **Chapter 4** - Progress towards achieving the UN's Sustainable Development Goals;
- **Chapter 5** - Institutional issues and stakeholder consultation.
- **Annex I** - Reporting table extracted from the EC electronic database on the implementation of the Country Specific Recommendations - CeSaR;
- **Annex II** - Reporting table extracted from the EC electronic database on the

¹ Art. 2-a, para. (2), point (d)

² In March 2022, the Romanian Government approved the Ministry of Foreign Affairs Note on updating the European Commission's electronic database on the implementation of the Country Specific Recommendations (CeSaR database).

³ Moreover, in order to prevent double reporting, the summary reports extracted from the FENIX platform by MIPE, including the latest information entered for this biannual reporting round, are attached herein.

implementation of NRRP - FENIX;

- *Annex III* - Reporting table on the implementation of the European Pillar of Social Rights.

The information contained in the chapters and sub-chapters on reform priorities should be reviewed in conjunction with the information contained in the reporting tables extracted from the EC's electronic databases i.e. CeSaR and FENIX.

Considering the above context, the 2022 NRP proposes complementary and additional interventions to those enclosed in NRRP and provides an overview of the measures implemented or expected to be adopted in the short and medium term by Romania in the areas analysed within the European Semester (fiscal and budgetary policy, green transition, digital transformation, business and economic competitiveness, labour market, social inclusion and combating poverty, health, administrative capacity, education and skills).

The onset of the pandemic in early 2020 changed the global economic, social and budgetary outlook, requiring an urgent and coordinated response at both EU and national level to address the pandemic's economic and social consequences, and its asymmetric effects on EU member states, and to secure a fast pace and sustainable economic recovery. Romania's NRRP benefits from a total allocation of over 29.18 billion euro and represents a comprehensive and balanced response to the economic and social situation, thus contributing adequately to the six policy pillars of the Regulation establishing the RRF. Romania's NRRP pays special attention to the green transition, with flagship reforms scheduled for the gradual decommissioning of coal and the decarbonisation of road transport. Measures to support climate change targets represent 41% of the total amount allocated to the NRRP. With regard to digital transition, the measures that contribute to the digital objectives are earmarked 20.5% of the financial allocation. NRRP aims at introducing structural changes in the functioning of the Romanian public administration and in the making, implementation and monitoring of public policies, especially regarding those policies regulating the use of natural resources and the environment. The reform of the pension and welfare systems aims at reducing disparities and inequalities. The full digitalisation of the tax administration and the gradual elimination of excessive tax incentives aims at improving the quality and sustainability of public finances. Healthcare reforms, accompanied by investment in digitalisation, are expected to improve access to, cost-effectiveness and resilience of healthcare system. NRRP aims to strengthen the independence and efficiency of the judiciary, as well as to improve access to justice and intensify the fight against corruption. At the same time, the plan envisages the development of a unitary, inclusive and quality early childhood education and care, accompanied by investments in childcare. NRRP includes other key reforms such as: establishing the minimum wage, strengthening the corporate governance of state-owned enterprises and social dialogue, digitalisation and support granted to research and development activities. Decarbonisation reforms, the establishment of a governmental cloud and the introduction of the electronic ID card will also support the dual - green and digital - transition.

2. MACROECONOMIC CONTEXT AND SCENARIO

The health crisis continued **during 2021**, maintaining the state of alert accompanied by specific measures, more or less restrictive, depending on the intensity of the pandemic wave. In this context, taking into account the sharp increase in the number of cases during the fourth pandemic wave, the measures adopted in the last quarter set limited access to non-food retail spaces, hotels and restaurants etc., based on COVID digital certificate. Moreover, the Romanian economy also faced, especially in the second half of 2021, disruptive phenomena, such as rising prices of building materials, energy products, as well as supply difficulties.

All this affected the economy, leading to a slowdown in the growth rate for Q4/2021. Hence, from a 7.5% growth rate in the first 9 months of the year (compared to the same period in 2020), GDP advance slowed to 2.4% in Q4/2021, compared to the same quarter in 2020 (gross series). Consequently, **GDP growth for 2021 overall was only 5.9%**, that is an increase of 1.9 percentage points (pps) above 2019.

In **industry**, the gross value added (GVA) increased by only 5%, given the slowed growth in Q3 (2.2% compared to the same period of the previous year) and the negative evolution in Q4 (-2.2 % compared to the same quarter of 2020), due to rising electricity and gas prices and missing industrial components. As a result, the industry sector supported economic advance by one percentage point and generated 21.2% of GDP.

2021 was a good year for **agriculture**, especially for cereals, with a substantial increase in GVA (13.5%), which resulted in a contribution of 0.5 pps to GDP growth.

The tertiary sector, with some activities severely affected by the health crisis, experienced a total increase in GVA of 6.1%, bringing a substantial contribution to economic growth (3.7 pps, i.e. over 60% of economic advance).

Within this sector, the *trade, transport, hotels and restaurants* branch recorded a 9.4% increase in 2021, with a substantial recovery of HORECA; in 2020, the branch underwent a sharp contraction (-6.4%) amid the restrictive measures imposed to limit mobility. The contribution of this branch to GDP growth in 2021 was 1.7 pps, representing the largest contribution.

Information and communications, as in previous years, was one of the most successful and dynamic sectors, its GVA increasing significantly in 2021 (13.4%); its contribution to economic growth stood at 0.8 pps.

Entertainment, cultural and recreational activities was another sector strongly affected by the health crisis; after a substantial decrease in 2020 (16.4%), the sector recorded a 20% increase in GVA in 2021, yet, not covering the contraction from the previous period.

In 2020, **the construction sector** was one of the main contributors to economic growth; in 2021, overall, the sector recorded a decrease in GVA of 1.7%, given the decrease in the second half of the year, amid problems with rising prices for building materials.

On the demand side, **private consumption**, with a 7.9% increase, was the main factor contributing to the advance of the economy (+4.8 pps). The pandemic waves from 2021 required further allocation of budgetary resource in order to fight the pandemic's effects, **government consumption** registering a slightly positive dynamic of +0.4% compared to 2020.

The decrease of activity volume in the construction sector had a direct impact on **gross investment**, which increased only by 2.3%. While gross fixed capital formation contributed by 0.6 pps to real GDP growth, the change in stocks had a contribution of 1.8 pps.

The positive contribution of domestic demand to economic growth (+7.3 pps) was offset by **net exports**, which had a *negative contribution* of 1.4 pps, due to the higher increase in the dynamics of imports of goods and services (14.6%), compared to the increase in exports of goods and services

(12.5%).

Phasing out the containment measures at the end of 2020 and resuming the economic activity, although to different extents by economic sectors, led to an increasing employment rate and a decreasing unemployment rate, with an **overall improvement of labour market in 2021**.

The number of employees increased by 1.4% compared to the previous year, while **ILO unemployment rate** reached 5.6%, 0.5 pps lower as against 2020. **Employment rate** of people aged 20-64 was 67.1%, i.e. 1.9 pps higher than in 2020.

Throughout 2021, **annual inflation** continued the ascending trajectory started in the first part of the year, reaching in December a peak of the last 10 years i.e. 8.19%. Inflation rate's spiking took place against the background of domestic demand recovery and of a 1.7% depreciation of the national currency against the euro. During 2021, the inflationary pressure came mainly from the energy component.

On average, inflation recorded a high level of 5.05% in 2021, with increases over average at non-food items prices (7.08%), while food prices and services tariffs grew by 3.24% and 3.1%, respectively.

The annual inflation rate continued its ascending trajectory in Q1/2022, although the energy and natural gas prices have decreased due to governmental measures on compensating and capping energy prices for population. Additional pressures came from food prices, in the context of increased quotations of raw materials and energy products.

The current account deficit of the balance of payment continued to widen in 2021, reaching a GDP share of 7.0%, mainly due to a deteriorating balance of goods and primary incomes. Foreign direct investment (FDI) amounted to a net worth of 7,280 million euro and covered over 43% of the current account deficit. In 2021, FDI recorded its highest level since the 2008 financial crisis, when the direct investments of non-residents amounted to 9,496 million euro.

The economic forecast for 2022-2025 took into account: (i) a reassessment of macroeconomic indicators considering the conflict in Ukraine and international sanctions; (ii) the effects of energy crisis and supply chain disruptions, manifested since the second half of 2021, which have been amplified in the current scenario; (iii) a reduction of the pandemic shock, which led to lifting restrictions from March and to an increased mobility of population, yet with a persistent risk of a new pandemic wave or virus mutations in the cold season; (iv) attracting European funds through NRRP, as well as from the Multiannual Financial Framework (MFF).

Economic growth is estimated at 2.9% in 2022, 1.4 pps below the value estimated in the winter forecast. The projected slowdown is based on uncertainties related both to the evolution of Russia-Ukraine conflict and to further supply chain disruptions. Against the background of the conflict at the Romanian border, the increase of energy prices has intensified and is transferred, implicitly, to price increases for almost all categories of products and services.

On the **supply side**, growth will be supported mainly by *constructions* in 2022, with an estimated increase in GVA of 5.7%, stimulated by measures to implement NRRP and to increase investment. For services, GVA increase is projected at 3.4%, with an important role for *information and communications* sector. An increase of only 1.5% is estimated for *industry*, as the sector most affected by rising energy prices and deepening bottlenecks in the global supply system.

On the **demand side**, economic growth is based on the favourable contribution of domestic demand, both through investment and consumption. Gross fixed capital formation is expected to increase by 4.8%, while private consumption will grow moderately (+3.1%), as consumption will be tempered by rising prices.

The economic and social measures envisaged to offset the negative effects of the widespread price increases, as well as the measures for supporting refugees from Ukraine will lead to a 1.3% increase in government consumption.

At the same time, external demand is expected to have a negative contribution of 0.6 pps to GDP

growth, as a consequence of the more dynamic increase, in real terms, of imports (5.1%), compared to a lower increase of exports (4.4%).

For 2023 - 2025, the average annual growth rate is estimated at 4.6%. The use of European funds will play a key role in supporting economic advance during this period. Thus, on the supply side, an average annual growth higher than GDP rhythm is estimated for constructions (8.3%). For industry and services, the average annual developments are slightly lower - 4.4% and 4.3%, respectively - with a focus on modern activities with increased GVA.

Within domestic demand, *gross fixed capital formation* will be the main factor of economic growth, with an average annual rate of 8.3%. *Private consumption* is expected to have moderate dynamics, with an average annual rate of 4.6%; *government consumption* will increase, on average, by 2.3%. *Net exports* will gradually reduce their negative contribution to GDP growth, reaching 0.6 pps at the end of the forecast period. Exports of goods and services will increase at an average annual rate of 5.2%, while imports of goods and services will grow, on average, by 6.2%.

Economic growth

	- annual percentage change -					
	2020	2021	2022	2023	2024	2025
Real GDP	-3.7	5.9	2.9	4.4	4.8	4.5
Nominal GDP	0.0	11.6	12.3	10.0	8.3	7.5
<i>Real GDP components - expenditure method</i>						
Private consumption expenditure	-5.1	7.9	3.1	4.5	4.7	4.5
Government consumption expenditure	1.8	0.4	1.3	1.7	2.8	2.4
Gross fix capital formation	4.1	2.3	4.8	8.6	9.1	7.1
Exports of goods and services	-9.4	12.5	4.4	5.3	5.5	4.9
Imports of goods and services	-5.2	14.6	5.1	6.5	6.5	5.5
<i>Real GDP components - supply side</i>						
Industry	-4.5	5.0	1.5	4.5	4.8	4.0
Agriculture, forestry and fish farming	-14.9	13.5	-0.4	5.1	2.7	2.0
Construction	9.3	-1.7	5.7	8.4	9.2	7.5
Services	-3.6	6.1	3.4	3.9	4.5	4.5
<i>Real GDP components - expenditure method (percentage)</i>						
Final domestic demand	-2.0	5.5	3.3	5.3	5.8	5.1
Change in stocks	-0.3	1.8	0.2	0.0	-0.2	-0.1
Net Export	-1.5	-1.4	-0.6	-0.9	-0.8	-0.6
<i>Real GDP components - offer side (percentage)</i>						
Industry	-1.0	1.0	0.3	1.0	1.1	0.9
Agriculture, forestry and fish farming	-0.6	0.5	0.0	0.2	0.1	0.1
Construction	0.5	-0.1	0.4	0.6	0.7	0.6
Services	-2.1	3.7	2.0	2.2	2.5	2.5

Source: INS and CNSP - 2022-2025 Spring forecast

The current account deficit of the balance of payments is forecasted at 18.5 billion euro in

2022, reaching a GDP share of 6.9%.

For 2023-2025, the negative current account balance is estimated to an annual average value of 19.6 billion euro and its share in GDP will improve from 6.7% in 2023 to 5.9% in 2025. The forecast takes into account both the positive contribution of the service balance and an increase of surplus in secondary revenues, as the amounts from European funds will increase.

External trade and current account

- Billion euro -

	2020	2021	2022	2023	2024	2025
FOB Export	62.2	77.7	85.9	92.5	98.3	103.6
- annual percentage change, %	-9.9	20.1	15.0	7.7	6.3	5.4
CIF Import	80.6	98.4	114.6	124.1	132.5	139.6
- annual percentage change, %	-6.6	22.1	16.5	8.3	6.7	5.4
Trade balance FOB - CIF	-18.4	-23.7	-28.8	-31.6	-34.2	-36.0
Current account deficit	-10.9	-16.8	-18.5	-19.4	-19.7	-19.7
- % of GDP	-5.0	-7.0	-6.9	-6.7	-6.3	-5.9

Source: INS and CNSP - 2022-2025 Spring forecast

In 2022, **inflation** is expected to increase up to 10.1% as annual average and 9.7% at the end of the year. The forecast for 2023-2025 estimates a descending trend, as the shocks effects on the supply chain start to dwindle.

Inflation

- % -

	2020	2021	2022	2023	2024	2025
- end of year	2.06	8.19	9.7	3.5	2.7	2.5
- annual average	2.63	5.05	10.1	5.4	3.0	2.7

Source: INS and CNSP - 2022-2025 Spring forecast

Against the background of continued economic growth forecasted for 2022-2025, **labour market** is also expected to have a favourable evolution, paving the way for more jobs and improving employment for population aged 20-64 (by 4.1 pps by 2025, when it will reach 71.2%).

Employment

- % -

	2020	2021	2022	2023	2024	2025
Employment rate						
age group 20-64	65.2	67.1	67.8	68.8	70.1	71.2
- men	74.7	77.0	78.0	79.1	80.5	81.6
- women	55.4	56.9	57.5	58.3	59.5	60.6

	2020	2021	2022	2023	2024	2025
Unemployment rate (ILO) - %	6.1	5.6	5.4	5.2	4.8	4.6

Source: Eurostat and CNSP - 2022-2025 Spring forecast

Unemployment is also expected to continue a declining trend, with unemployment rate decreasing to 4.6% in 2025, 1 pp below the 2021 level.

The potential growth has been recovering from 2021, being estimated at 3.3%, up from 2.9% in 2020. For 2022, the expected potential growth is similar to the previous year; as NRRP implementation progresses, potential GDP will accelerate to 3.7% in 2023 and 3.8% in 2024 and 2025. The *output-gap* is negative but is on a relatively fast closing trajectory, progressing from -2.6 % in 2022 to -0.4% in 2025.

If in the pre-pandemic period, factors contribution to potential growth was strongly asymmetric in favour of total factor productivity - TFP (over two thirds), for 2022-2025, taking into account the massive investments expected through NRRP, capital stock and TFP contributions are expected to be similar (on average for 2022-2025 period, 1.8 pps for capital and 1.75 pps for TFP).

Labour factor contribution is estimated to remain slightly positive (on average 0.1 pps), with a favourable influence from the increasing influx of workers from abroad.

3. REFORM PRIORITIES

3.1. Fiscal and budgetary policy and financial stability

REFORMS AND INVESTMENTS IN THE NRRP

Romania's NRRP grants great importance to the fiscal and budgetary objectives, as part of Pillar III - Smart, sustainable and inclusive growth. The main objectives of the reforms in this area aim to increase revenues and optimize spending by ensuring the predictability and fairness of fiscal measures, strengthening revenue collection, streamlining public spending, as well as a major reform of the pension system, which will help ensure fiscal sustainability.

The fiscal area is approached in Components 4, 6 and 8 of NRRP. Component 8 - Tax and pensions reforms - includes measures with deadline up to Q1/2022, such as tax administration reform through digitalisation or the reform of public pension system. Components 4 and 6 - Sustainable Transport and Energy - each include a reform in the fiscal area, with deadlines going beyond Q1/2022.

By the end of Q1/2022, measures were implemented on:

- Connecting 538,485 electronic cash registers to NAFA system;
- Entering into force of the legal framework for compulsory enrolment of legal person taxpayers in SPV (Virtual Private Space), through GO No 11/2021 for amending and completing Law No 207/2015 on Fiscal Procedure Code and on regulating some fiscal measures;
- Operationalizing the Joint Action Plan between NAFA and Labour Inspection to prevent and contain the phenomenon of grey/black work evasion (17 February 2022);
- Approving the methodology for drawing up, monitoring and reporting of the budgetary programs (by GD No 467/2022 on approving the methodology on drawing up and executing budgetary programmes);
- Signing the TA contract with the WB for preparing the analysis and reform proposals of the pension system;
- Entering into force of an order setting up a monitoring committee in charge of reviewing, with the support of the TA provider, the pension system and the policy interventions in the pension system (MMSS, MF, Fiscal Council, CNPP);
- Entering into force of the amendments to the regulatory framework to ensure the sustainability of pensions' second pillar.

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ **Fiscal consolidation**
- ✓ **Efficient management of public investment**
- ✓ **Increasing the efficiency of budgetary spending**
- ✓ **Improving tax collection**
- ✓ **Improving customs activity**
- ✓ **Financial and banking sector stability**

Fiscal consolidation

In 2020 and 2021, *fiscal policy was an important tool for mitigating the negative effects of the pandemic crisis*, with fiscal measures aiming at strengthening the health system, keeping the pandemic under control and providing assistance to the most affected people and sectors. The measures adopted in 2020 (some extended to 2021) as well as the new measures adopted in 2021 were in line with the Council Recommendations under the *Excessive Deficit Procedure* (EDP, launched for Romania in 2020), being either temporary or counterbalanced by compensatory measures.

The main fiscal-budgetary measures implemented in 2021 took into account: maintaining basic salaries, balances, allowances, and bonuses allocated to staff paid from public funds at the same level as in December 2020; non-awarding holiday prizes and allowances; compensating overtime only with appropriate time off; supporting business environment and liquidity (exemption from activity-specific tax for 180 days; granting reductions for corporate tax, income tax on micro-enterprises or activity-specific tax). Under these conditions, **the execution of the general consolidated budget for 2021 ended with a deficit of 6.72% of GDP** (80 billion lei, *cash methodology*), in accordance with the EDP Recommendation and representing a decrease compared to 2020 deficit (9.61% of GDP, respectively 101.8 billion lei). **The positive evolution of the budget deficit in 2021** was determined by:

- *The increase of budget revenues by 1.4 pps of GDP (y-o-y)*. In 2021, the revenues of the consolidated general budget amounted to 379.61 billion lei, 17.7% above 2020. This favourable development was influenced both by the *low revenues in 2020* - as a result of the measures on supporting taxpayers (postponing deadlines for tax payment, bonuses, exemptions), as well as by the *recovery of economic indicators*, respectively the partial recovery of certain categories of income (VAT, insurance contributions, income tax and corporate tax);
- *The reduction of budget expenditures by 1.5 pps of GDP* (from 40.1% in 2020 to 38.6% of GDP in 2021), mainly due to the declining share in GDP of wages and social assistance. In nominal terms, the expenditures of the general consolidated budget amounted to 459.63 billion lei in 2021, which is 8.3% higher than the previous year figure; investment expenditures were 6.1 billion lei higher than 2020, while exceptional payments generated by the pandemic amounted to 14.76 billion lei.

The most important **macro-stabilization measures adopted by the Government during 2020, 2021 and 2022** in order to stop the negative effects of the pandemic and support the population and business environment were as follows:

- **Supporting business environment by financing important programmes** such as: state aid for financing investment projects; transfers under state aid schemes representing excise duty refunds for diesel oil used as fuel (finalised at the end of 2020); *SME INVEST ROMANIA* (launched in 2020 and extended until 30 June 2022); *SME LEASING* for equipment and machinery; *SME FACTOR* (finalized in June 2021).

Details regarding these programmes are also available in CeSaR database (Annex I, the section on 2020.CSR3.Subpart3).

The state guarantees granted in 2021 under government support programmes for SMEs, large companies and SMEs with a turnover exceeding 20 million lei were 12.11 billion lei (1.2% of GDP).

In 2022, *four other government programmes were approved* (by GEO No 24/2022) in order to support companies by providing state guarantees, namely *SME PROD*, *RURAL INVEST*, *GARANT CONSTRUCT*, and *INNOVATION*, with a guarantee ceiling of 7.5 billion lei for 2022 (for details

please refer to chapter 3.4). The programmes will be operational in the coming period.

- **Measures on social protection in the pandemic context:** furlough schemes, temporary reduction of worktime (kurzarbeit), stimulating employment of people aged over 50 and of unemployed aged 16-29, stimulating fixed-term employment, providing a source of income for other categories of economically active population (for details please refer to chapter 3.5).
- **Measures on easing fiscal burden:** subsequently conducting tax inspections for VAT refund procedure (permanent measure from February 2022); granting fiscal facilities for taxpayers facing outstanding debts, provided that the main tax obligations are paid; making the access to restructuring of outstanding tax liabilities more flexible and simplifying the procedure for granting tax payment rescheduling.
- **Applying VAT exemption for tests and medication used in combating the pandemic:** for COVID-19 in vitro diagnosis medical devices, COVID-19 vaccines, as well as for the related vaccination and testing services; for intra-community acquisitions of Remdesivir (applicable until 31 December 2022); for imports of goods/ services made by the EC or EU agencies/ bodies, in order to fulfil a EU mandate to fight COVID-19 pandemic (from 1 January 2021).

Also, in 2022, in the context of the onset of the crisis in Ukraine, the following fiscal measures were adopted:

- Full deductibility of cash donations granted by legal entities for **supporting and granting humanitarian assistance** to foreign citizens or stateless persons in special situations, coming from the conflict area in Ukraine, until 31 December 2022;
- Limited deductibility of expenses for goods and services provided for persons affected by the armed conflict in Ukraine.

In the medium term, Romania targets a gradual fiscal consolidation through measures that will allow reaching the deficit target stipulated by the European regulations by the end of 2024. The budget planning for 2022 and the forecast for 2023-2024 set an **ESA budgetary deficit of 6.2% of GDP in 2022**, following to reach 4.4% of GDP in 2023, and 2.95% of GDP in 2024.

In **structural terms**, the deviation registered in 2016 from the Medium Term Budgetary Objective of Romania (set to 1% of GDP) is envisaged to be maintained in the reference horizon, the **adjustment period starting from 2021**. Continuing the deficit adjustment path started in 2021 is ensured by limiting current expenditures of public administration and by using EU funds (both from traditional resources and from RRF) in order to significantly increase investment.

The construction of the budget for 2022 was a responsible process, given the need to reconcile the management of the difficult situations that Romania is facing (health crisis, energy price shock, tensions on international markets), which require adequate resources, with the need tight of fiscal consolidation. Under these conditions, the budget for 2022 was built on a cash budget deficit target estimated at 5.8% of GDP.

The main fiscal related measures aiming at **reducing budget expenditures in 2022** cover three main directions: (i) maintaining the gross basic salaries/ bonuses/ allowances/ basis for calculating certain benefits at the level granted in December 2021, for the majority of the budgetary staff; (ii) not granting gifts or cultural vouchers, prizes, retirement allowances for the budgetary staff; (iii) extending until 2023 the legal provisions on minimum budgetary allocation of a percentage of GDP for certain sectors and of some aids/ incentives for social/ disadvantaged categories.

In order to further support the objective of adjusting the budget deficit to sustainable levels, the **total budget expenditures planned for 2022 have been reduced by 0.5 pp**. Even under these conditions, **the planned investment spending has been increased by more than one pp**, i.e. to 6.7% of GDP, mainly through the use of non-reimbursable EU funds.

As for the **public debt** calculated according to EU methodology, at the end of 2021, it stood at

48.8% of GDP, below the 60% ceiling set by the Maastricht Treaty. By the end of 2022, government debt calculated according to EU methodology is estimated at 49.4% of GDP; in the medium term (2024), under fiscal consolidation conditions, we estimate that public debt will remain at sustainable levels of up to 50% of GDP.

Details regarding Romania's fiscal and budgetary policy, including public debt, are also available in the Fiscal Strategy 2022-2024 and Convergence Programme 2022-2025.

Efficient management of public investment

MF monitors on a yearly basis the way in which the main credit release authorities reflect the **significant public investment projects' prioritization** results in their annual budgets, being empowered to apply sanctions in case of non-compliance.

On 8 December 2021, the Government approved the *Memorandum on significant public investment projects' prioritization results used in drafting the public budget for 2022*. It includes **177 significant public investment projects** managed by eight main credit release authorities (compared to 160 projects in 2020 and 158 projects in 2019). The largest share in the portfolio belongs to MTI, which is managing 140 projects, followed by MMAP with 11 projects, MDLPA with nine projects, MS with seven projects, MJ with four projects, MAPN with three projects, MCID with two projects and the Protection and Guard Service with one project.

A similar exercise will be conducted in 2022, aiming to prioritize the significant public investment projects to be used in drafting the public budget for 2023.

Regarding the process of **rationalizing public investment portfolio**, *the pilot exercise started by MF and MT* continued in 2021. MTI portfolio of public investment projects was reviewed in order to identify non-performing projects and to include them in the rationalization programme. 116 projects were removed from the analysis, considering the following reasons: stage of execution over 90%, projects started in 2016, 2018 and 2017, projects not meeting the criteria of the analysis. Based on the works of MF-MTI workgroup, MF drew up a *Presentation note on the pilot exercise results*, with the stages of the exercise and its conclusions. From the 22 investment projects found as non-performing under the criteria proposed by the WB, MTI justified maintaining 21 projects in the Public Investment Programme, introducing in the rationalization programme a single railway project, namely Valcele - Ramnicu Valcea new railway line, approved in 2008 and with a physical implementation stage of only 3%.

As regards the **National Programme for Local Development (PNDL)**, 6,482 investment objectives were completed by 25 March 2022, out of which 3,398 financed under PNDL I (2015-2023) and 3,084 under PNDL II (2017-2022). The total amount settled for developing these investment objectives was 34.68 billion lei.

Moreover, in both 2021 and 2022, commitment appropriations were provided in the MDLPA budget in order to supplement the amounts allocated from the state budget for the investment objectives included in the PNDL - Stage I and Stage II.

Regarding **public-private partnership projects (PPP)**, the *National Strategy for implementing priority projects under PPP regime*, drafted in 2020 by the Public Investment Management Unit (UMIP) under MF together with experts from EIB, was adjusted in 2021. The document will be circulated for approval as a government decision and is expected to be adopted by the end of this year.

Moreover, a *technical assistance project for preparing PPP projects*, financed by the Structural Reform Support Programme, is ongoing. The contract for consultancy services was signed at 15 December 2021 and the project will run for 18 months.

Increasing the efficiency of budgetary spending

In order to monitor the *measures for increasing efficiency of budgetary spending*, a Technical assistance (TA) project started in September 2020 at the level of CAECP⁴ (within MF), *in order to strengthen its administrative capacity by drafting a methodology for monitoring and assessing the financial impact of the measures established in the context of a spending review or of a programme*. The project implementation that initially was scheduled for 18 month includes five components, some of them being already completed. DG Reform provided technical assistance for the following activities: preparing the general methodology for monitoring and assessing the impact of measures resulting from a spending review and/ or from the implementation of a programme; elaborating technical specifications for an IT application for monitoring and assessing the measures established in the context of a spending review or of a programme, detailing the policies that the Government intends to apply in a certain field.

In the context of the pandemic, the TA project was extended until December 2022 and a new component was introduced: drawing up a multi-annual strategy on the future areas that will be the subject of expenditure reviews.

Improving tax collection

In 2021 and the first part of 2022, tax collection has continued to be improved. Hence, in 2021, the National Agency for Fiscal Administration (ANAF) collected 311.1 billion Lei, that is an achievement degree of the revenue programme of 100.2%, i.e. an 18% increase as compared to 2020, and a 14.5% increase as compared to 2019 (nominal indexes). This positive evolution took place in the context of a substantial growth of VAT refunds (both in value and numerically).

In the first two months of 2022, ANAF collected 56.4 billion Lei, representing a 27.2% increase compared to the similar period of 2021 and an achievement degree of the revenue programme of 108.1%.

The share in GDP of the revenues collected by ANAF was 26.1% in 2021, 1.1 pps above 2020 level and 0.5% above 2019 level. For the first two months of 2022, the share in GDP of the revenues collected by ANAF was 4.3%, 0.6% above the similar period of 2021.

These results are largely due to the measures implemented by ANAF under the *Operational Plan for Revenue Recovery* (PORV), elaborated in 2020 following the pandemic crisis. Some of the **most important measures adopted in 2021**, structured by the three chapters of the document, are the following:

Chapter I - Measures on safeguarding revenues

- *Simplifying procedures regarding VAT purposes registration*, by approving the relevant procedures (POANAF No 239/2021, POANAF No 393/2021, POANAF No 699/2021);
- *Making the VAT refund procedure with subsequent control permanent*, as of 1 February 2022 (by GO No 11/2021);
- *Making the simplified procedure for restructuring outstanding budgetary obligations permanent* (by POANAF No 1.767/2021);
- *Implementing an IT system for garnishments (E-Popriri)*, operational from 1 January 2021);
- *Assessing the tax burden of taxpayers*;
- *Implementing IT projects* - five of the 18 priority digitalisation projects were completed in 2021 (most of them are also followed through NRRP): the special VAT regime (One Stop Shop, OSS_RO); the system for electronic invoicing; the Standard Audit File for Tax (SAF-T);

⁴ Compartment for Public Spending Review and Efficiency

interconnecting the fiscal electronic cash registers; NOES (Operational Level of Enforcement);

- *Implementing desk-audit* as tool for documentary verification, carried out at the fiscal body premises, without physical interaction with taxpayers. The measure is monitored through NRRP;
- *Performing fiscal audits according to Base Erosion and Profit Shifting (BEPS) plan* and ATAD directive (regulations on preventing and fighting tax evasion).

Chapter II - Ensuring the availability of tax services for taxpayers

- *Sending personalized information* to natural and legal persons with outstanding payment liabilities;
- *Preparing the electronic filing for all tax returns* - 52 forms were digitalised by March 2022, other 57 forms following to be digitalised in 2022;
- *Enabling the electronic registration in One Stop Shop* (operational from 1 July 2021);
- Electronically sending to and receiving by taxpayers the *specific documents on avoiding double taxation and international tax agreements*, through SPV and e-guvernare.ro;
- *Extending the self-service concept* for the 210 tax units;
- *Developing the Call-centre* (increasing the number of simultaneous received calls) and *changing the telephonic interaction with taxpayers* (messages automatically played by IVR);
- *Launching a chat service on ANAF website* (November 2021);
- *Setting up a Fiscal School* (1 April 2022), as centre of excellence in tax field.

Chapter III - Measures to support the business processes

The measures were focused on issues such as: telework, use of new electronic devices in the context of telework, promoting online communication tools both for internal and external communication, analysing the external communication channels.

Improving customs activity

Regarding the activity of **ex-post control and re-checking customs statements** submitted and accepted in 2021, 39,847 actions were carried out. As a result, the authorities identified 4,509 frauds and irregularities and prepared regularization decisions for the ascertained amount of 226.4 million lei to be paid. The central and regional mobile teams carried out **3,490 control actions** in 2021; as a result, civil fines worth 8.0 million lei were applied, compared to 11.1 million lei in 2020.

In the field of **risk management, analysis and selection for customs control**, an *Import Control System* (ICS2-RO) was launched on 1 October 2021. 510 out of the 214,104 processed statements were selected for assessment and for 215 of them additional information was requested.

In order to **improve the customs infrastructure and modernise its offices**, the two major projects with external financing have continued, and the following progress has been made: signing the financing contract for the project *Modernising Siret border crossing customs point, in order to streamline traffic flow at the transnational crossing point from the North borderline of Romania - DN2 (E85), Suceava county*; awarding the contracts for construction works for offices in Sculeni, Albita and Giurgiulesti (RO), as well as in Leuseni and Giurgiulesti (MD) crossing points. The project *Rehabilitation and modernization of border customs offices on Romania - Moldova border* will continue in 2022 with activities on completing the infrastructure works and purchasing non-destructive testing equipment.

The **IT system for monitoring the movement of excise goods under duty suspension** in the EU is currently in line with the EC requirements. A new software development contract to meet the

new requirements of DG Taxud (EMCS_RO phase 4) is expected to be awarded in 2022, the related public procurement procedure being currently underway.

Regarding the activity of **fighting illicit tobacco traffic**, 28.7 million cigarettes were seized following specific control actions. The estimated value of the confiscated goods and cash (excluding cigarettes/ alcohol/ energy products) was 11.8 million lei in 2021, compared to 8.5 million lei in 2020. According to Novel Research market study, in November 2021 the *illicit tobacco market registered its lowest level in the last 15 years - 7.4%*, the average for 2021 dropping to 8.4% (the lowest annual average recorded in the same timeframe).

The **EU Strategy on Customs Risk Management**, transposing the provisions of the Union Customs Code (EU Regulation No 952/2013) is under implementation.

Priorities for 2022

The main strands of action for 2022 are set in the expanded medium term vision, targeting the following fields:

1. Developing services for taxpayers and strengthening the partnership with them. ANAF aims at *optimizing and streamlining the services provided through SPV* (Virtual Private Space) on ANAF portal, through actions such as:

- Modernising ANAF website and SPV;
- Expanding the services provided through SPV;
- Expanding the availability of electronic services to beneficiaries by adapting ANAF website for smartphones and tablets ;
- Developing apps for Android and IOS, with certain services provided through SPV;
- Introducing new ways for logging in the system on mobile devices.

2. Digital transformation of ANAF through integrated digital solutions, which make the most of the available data and information. ANAF aims to complete the digitalisation of all forms and tax returns and to extend the possibility of submitting them online through SPV and the web portal *e-guvernare.ro* .

3. Increasing voluntary compliance by accelerating the development of *pilot projects* regarding the income made by natural person taxpayers from: rental activities, beauty/ body care activities, meditations/ educational and other learning activities.

4. Intensifying the fight against tax evasion, by:

- Increasing the number of tax audits by 5%;
- Streamlining enforcement actions in order to recover tax arrears, including transforming the enforcement activity into an investigation process.

5. Making ANAF more efficient and transparent in order to become a sound, modern and trustful institution, by:

- *Operationalizing the Fiscal School* (setting up of a body of internal trainers, covering the training needs through specialists within ANAF with experience and solid knowledge on relevant legal framework and its application, providing the necessary IT programmes);
- *Enhancing the performance and professionalism of ANAF staff* by: further collaborating with the academia and developing partnerships with public/private institutions in order to train tax administration staff; extending the use of online platforms for continuing professional education; prioritizing staff's training needs in the context of ANAF digitization and modernization;
- *Developing ANAF staff's competencies and career* by organizing training programmes targeted on acquiring skill profiles.

Financial and banking sector stability

The National Bank of Romania (BNR) is constantly monitoring the developments and legal initiatives in the financial and banking sector in order to **safeguard legal security and financial stability**. Over the last years, BNR has been involved in a series of legal drafts concerning the financial-banking sector, by providing its opinions/views, observations and proposals.

Relevant information is also available in the CeSaR database (Annex I, the section on 2019.CSR2.Subpart1).

In order to maintain financial stability by **preventing/ mitigating systemic risks**, the National Committee for Macroprudential Supervision (CNSM) issues recommendations and warnings addressed to BNR, ASF (as national financial supervisory authorities) or the Government. In 2021, CNSM issued nine recommendations regarding: the *countercyclical capital buffer*, *restrictions on distribution during COVID-19 pandemic*, complying with the provisions of the European Banking Authority's (EBA) Guide on *detailing and publication of systemically important indicators*, implementation of CERS Recommendation on *identifying legal entities*, *supporting green finance* and the capital buffer for other systemic importance institutions in Romania.

At the same time, CNSM has decided the conformation with EBA's guide on the appropriate sectoral exposures subsets to which competent or designated authorities may apply a systemic risk buffer in accordance with Directive 2013/36/EU.

In 2020 and 2021, *two working parties* were set up in order to *find possible solutions to support green finance and financial intermediation*.

The **working party on green finance** completed its activity in 2021 and the measures identified by the group were the subject of *CNSM Recommendation No 6/2021 on supporting green finance*⁵. In order to implement the measures targeting BNR in this Recommendation, BNR:

- sent a letter to credit institutions and NFIs on *its expectations regarding climate risk management* (November 2021);
- carried out a *first analysis on relaxing prudential requirements for green financing* in order to stimulate this type of lending without affecting financial stability; the analysis was partly published in the December 2021 edition of the Financial Stability Report;
- developed and published the first edition (2021) of a *monitoring table regarding climate risk on Romanian banking sector*⁶. A first stress test on climate risk issues was conducted in 2019, part of the analysis being published in the December 2019 edition of the Financial Stability Report. The stress test on climate risk issues will be developed through a TA programme funded by EC's Technical Support Instrument (Analysis of Environmental Impact Scenarios and Climate Risk Assessment);
- finalized the *reporting specifications to the Credit Risk Centre*⁷ in order to complete it with *information on green loans* (starting from the European taxonomy), the first reporting month being June 2022.

Against the background of an increasing dynamic of non-governmental credit and persistent tensions regarding macroeconomic balances, in order to **reduce and prevent the excessive increase of indebtedness**, and to diminish the potential vulnerabilities related to credit risk, BNR adopted the following measures:

- *Increasing the capital countercyclical buffer rate* at 0.5% (from 0%), as of 17 October 2022;
- *Reducing the loan-to-value ratio* by 10 pps (equivalent to a 10 pps increase of the advance

⁵ <https://www.cnsmro.ro/politica-macroprudentiala/lista-recomandarilor-2021/>

⁶ <http://www.bnr.ro/PublicationDocuments.aspx?icid=31565>

⁷ Database within BNR containing information on debtors identifying data, credits granted to them and commitments assumed on their behalf in lei/foreign currency by each declaring person, as well as card frauds produced by holders.

payment required or presenting an additional real estate guarantee) for loans granted to natural persons already owning a home at the date of applying for another real estate credit, as of 1 April 2022.

In 2022, BNR will continue to monitor developments in the financial and banking sector and to engage in debates concerning legal projects whose regulatory scope falls within the areas of competence and responsibilities of the central bank. In this context, BNR will assess the impact of these legislative initiatives in the financial and banking sector and will present its opinions, observations and proposals, promoting solutions that do not affect financial stability and do not generate systemic risk.

Regarding the **capital market**, given the size of the investment funds sector in Romania and the investors' interest, in 2021, the Financial Supervisory Authority (ASF) conducted an ***exercise to test the liquidity of investment funds*** and their ability to meet the redemption demands in the event of significant adverse flows. The exercise included 76 Undertakings for the Collective Investment in Transferable Securities and 19 Alternative Investment Funds, excluding *Fondul Proprietatea* and the five financial investment companies. The results indicate that ***all open-end investment funds have the capacity to withstand liquidity shocks***, as most fund managers adopt a prudent and conservative strategy, with sufficient liquidity to cover investors' redemptions. A summary of the results of the stress test is presented in the *Report on the stability of non-banking financial markets No 2/2021*.

In the **insurance sector**, in 2020 and 2021, ASF and the European Insurance and Occupational Pensions Authority (EIOPA) conducted an ***independent exercise for assessing the insurance sector in Romania*** through a Balance Sheet Review. The exercise included 24 insurance companies and the final report of the consultant provided *an image of the risks and vulnerabilities of the insurance sector in Romania*. Based on the assessment results and analysis of prudential indicators, *the participating companies were classified and subjected to differentiated remedial measures*, depending on the size of the capital deficit resulting from the assessment exercise.

In the context of the European strategic priorities on sustainable growth, within the Technical Support Instrument 2022, the EC approved a multi-country ***Project on Sustainable Finance - Enhancement of the Supervisory Capacity***, with ASF and three other authorities as beneficiaries. The project falls within the scope of *green priorities, namely reducing the funding gap for fighting climate effects with public policy instruments*. The objectives of the project are: to analyse the legal framework for green finance, to strengthen ASF institutional capacity regarding reporting requirements and public information on sustainable financing, and to raise awareness among market participants and investors on the importance of green investment in stimulating sustainable growth. The project is estimated to start in the fall of 2022 and will run for 18 months.

The National Strategy for Financial Education, drawn up by the Committee for Financial Education (established by a collaboration between BNR, ASF, MEd, MF and Romanian Association of Banks), is available for public consultation on MEd's website. Its approval is expected for Q2/2022.

The measures presented in this chapter can contribute to the fulfilment of SDG 8.

3.2. Green transition

3.2.1. Environment and climate change

REFORMS AND INVESTMENTS IN THE NRRP

The objectives of environmental and climate change policies are extensively reflected in the content of the NRRP, confirming the particular importance of Pillar I - Green Transition in the overall projection of the Plan. The main reforms and investments in relation to these objectives envisage the water management, forest and biodiversity protection, waste management, promotion of sustainable transport, building renovation, energy policy, green education etc. Some of these reforms also ensure the complementarity of measures targeting the two transition processes - green and digital. Thus, the environment and climate change sector is addressed by Components 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14 and 15 of the NRRP.

Component 1 - Water Management through R1. Strengthening the regulatory framework for the sustainable management of the water and wastewater sector and accelerating public access to quality services under European directives covers measures having as implementation term Q1/2022, as well as the amendments to the Law on the water supply and sewerage service. Components 2 and 3: Forests and Biodiversity Protection and Waste Management contain measures with an implementation term exceeding Q1/2022. Components 4 and 5 - Sustainable Transport and the Renovation Wave include measures to protect the environment and reduce pollution, such as the entry into force of the law to encourage the use of clean vehicles and fleet renewal programmes, decarbonisation of road transport, increasing the number of zero-emission vehicles, measures to increase the energy performance of flat buildings. Component 6 - Energy supports the green transition with flagship reforms on phasing out coal and investing in new renewable energy production capacity. Components 7, 8 and 9 include measures to digitalise public services and the business environment, as well as investments in digital energy-efficient infrastructure. Component 10 - Local Fund covers measures such as: renewing the fleet of vehicles for public transport, ensuring the infrastructure for green transport. Component 11 - Tourism and Culture addresses environmental issues by funding the implementation of 3,000 km of bike lanes, and Components 12 and 13 - Health and Social Reforms support the development of public hospital infrastructure, new building infrastructure with a primary energy demand at least 20% lower than the nearly zero-energy buildings (nZEB) and the rehabilitation, renovation and development of social infrastructure for people with disabilities - nZEB+ buildings. Other examples that can be mentioned as examples and that support this issue can be found in Component 14 - Good Governance and refer to support the civil servants qualification to perform the role of "sustainable development experts" in public institutions at central and local level, respectively in Component 15 - Education through the development of the green schools network and the purchase of green minibuses.

By the end of the Q1/2022, measures were implemented on:

- Conclusion of the contribution agreement between the EC and the Romanian Government within the Investment I2. Measure 2. Climate Action Portfolio Guarantee and Measure 5. Financial instruments for energy efficiency investment in the residential and buildings sector (Q4/2021);
- Entry into force of the amendments to the Law No 241/2006 on water supply and sewerage (Q4/2021);
- Adoption of the strategy for the development of railway infrastructure 2021-2025 and application of its Action plan (Q4/2021);
- Decommissioning of 1695 MW of coal-fired electric power-production capacity (Q4/2021);

- Entry into force of the law for the approval of the National Programme for the First Connection to Water and Sewerage Networks (Q1/2022);
- Establishing a national support scheme for energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of multifamily residential buildings (Q1/2022);
- Establishing a national support scheme for energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for public buildings (Q1/2022);
- Opening a call for tender for projects for the production of energy from renewable sources (wind and solar) (Q1/2022);
- Establishment of the financial instrument (“the Fund”), and adoption of the investment policy of the Fund (Q1/2022);
- Investment 2.4 Financial instruments for the private sector - Fund for digitalisation, climate action, and other areas of interest (Q1/2022).

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ **Reducing GHG emissions from the energy and transport sectors**
- ✓ **Improving the management of waste, including hazardous waste**
- ✓ **Supporting sustainable development and improving the infrastructure and the quality of environment, nature protection and biodiversity conservation**
- ✓ **Mitigating climate change effects on agriculture**

Additional information available in Annex I regarding the CeSaR database.

Reducing GHG emissions from the transport sector

In order to reduce GHG emissions from transport, the aim is to develop at an accelerated pace the national infrastructure for alternative fuels, as well as to promote the use of clean and efficient road transport vehicles.

Thus, the CeSaR database contains details on the implementation of programmes financed by the Environment Fund: (i) *The Programme for the Development of Vehicle Recharging Infrastructure for Plug-in Hybrid Electric and Electric Vehicles at the level of Highways, European Roads and National Roads*; (ii) *The Programme for the Reduction of GHG Emissions in Transport by Promoting the Infrastructure for Energy-Efficient Road Transport Vehicles: Recharging Stations for the Electric Vehicles in the County Seat Municipalities*; (iii) *The Programme on the Development of Recharging Infrastructure for Electric Vehicles and Plug-in Hybrid Electric Vehicles in Localities, by Installing Recharging Stations with Normal Power*; (iv) *The Programme for Stimulating the Renewal of the National Car Fleet (RABLA Classic Programme)*; (v) *The Programme for Reducing Greenhouse Gas Emissions in Transport by Promoting Clean and Energy-Efficient Road Transport Vehicles (RABLA PLUS Programme)*; (vi) *The Programme for Financing of Less Polluting Vehicles in Local Public Passenger Transport - electric buses and trolleybuses/compressed natural gas (CNG) buses*; (vii) *The Programme for Improving Air Quality and Reducing Greenhouse Gas Emissions by Using Less Polluting Vehicles for Student Transport - electric-hybrid, pure electric and CNG minibuses.*

Additional information on measures to develop an efficient and sustainable transport system is

also available in Chapter 3.4.2 Transport.

Improving waste management, including hazardous waste

Improving waste management is one of the major goals in the context of environmental and climate change efforts. To this end, PA 3, SO 3.1 of LIOP finances projects for the consolidation and expansion of integrated waste management systems (initiated through SOP Environment - it is expected to achieve an additional waste recycling capacity, the LIOP target for 2023 being 1,300,000 t/year), as well as new integrated/ individual projects for consolidation and extension of integrated waste management systems, with respect to the waste hierarchy. Through the Agreement on Technical Assistance Services for Projects - PASSA 2020-2023, signed in December 2019, EIB experts will continue to provide MIPE (LIOP MA) support for the implementation of 11 county waste management plans to meet the favourable condition of the waste sector.

The following programmes are funded from the *Environment Fund*: (i) *The Programme of Waste Management, Including Hazardous Waste* - it finances economic operators that carry out waste recycling and treatment facilities. The programme will implicitly contribute to the economic development of the regions where investments are made and, indirectly, to job creation, while improving the quality of the environment, saving raw materials and energy, thus ensuring a balance between environmental protection, economic growth and equitable access to resources across generations. (ii) *The National Programme for Replacing Used Electric and Electronic Equipment with some more Energy-Efficient Products - so called RABLA ELECTROCASNICE Programme*- in 2021, through this programme, 149,058 WEEE were decommissioned, equivalent to approximately 4,800 tons of WEEE. (iii) The plan to close 10 non-compliant municipal landfills - in 2021, the procedure was completed for three of the 10 landfills, and for the remaining ones the specific closure procedures are underway. (iv) AFM will finance by approx. 100 million euro the closure of non-compliant hazardous and non-hazardous industrial waste landfills, according to *The Memorandum on the Decommissioning of All Non-Compliant Landfills on the Territory of Romania* approved by the Government on 22 September 2020. (v) *The Programme for Public Education and Awareness on Waste Management* helps to raise public awareness on the selective collection of packaging waste, WEEE, bulky waste, construction and demolition waste, the rights and obligations of natural persons in the waste management cycle, as well as on the collection capacities in place at local level. (vi) *The Programme for Greening of Waste Affected Areas*; (vii) *The Programme for Public Education and Awareness on Environmental Protection*.

Under *the Programme for Environment, Climate Change Adaptation and Ecosystems*, funded by EEA and Norwegian Grants 2014-2021, four projects are underway to help restore wetlands and peatlands (3.55 million euro), to restore degraded ecosystems and ensuring the improvement of their conservation status, i.e. 11.22 km² total degraded areas from 45 wetlands/ peatlands.

Supporting sustainable development and improving the quality of environment, nature protection and biodiversity conservation

The development of environmental infrastructure requires major investments for extending water and wastewater networks, construction and rehabilitation/ upgrading of treatment plants, sewerage networks and wastewater treatment plants. In agglomerations larger than 2,000 equivalent inhabitants, the degree of coverage with wastewater collection systems corresponds to a biological load of approx. 66.15% equivalent inhabitants, and the degree of coverage with wastewater treatment plants corresponds to a biological load of approx. 63.58% equivalent inhabitants. The investments made between January and December 2020 for wastewater infrastructure amounted to approx. 348 million euro.

In order to strengthen the capacity of the beneficiaries from the water and wastewater sector in the strategic management process of the LIOP project portfolio, the *Agreement on Technical Assistance Services for the Consolidation of the Water and Wastewater Sector in Romania* was concluded by MIPE and the ERDB. Water and sewerage networks, including water treatment plants

will be built as investments in wastewater field through LIOP (SO 3.2). In this context, the POIM target for 2023 is 2,851,330 people in terms of water supply and 1,938,904 people in terms of better wastewater treatment.

Moreover, in order to strengthen the capacity of the authorities, the *Agreement on the Provision of Reimbursable Technical Assistance Services Regarding the Assistance Provided to Romania for Analysing and Addressing the Challenges in Meeting the Requirements of the Urban Wastewater Treatment Directive (UWWTD)* was signed by MMAP and WB. The results of the project will consist in: (i) elaboration of an updated *UWWTD Implementation Plan* - the plan is under completion stage; (ii) development of a *National Strategy for Water Supply, Collection and Treatment of Urban Wastewater* - under implementation; (iii) development and implementation of the data collection, processing and reporting system - in January 2022, the public procurement contract/ framework agreement from Law No 98/2016 on public procurement for *Consultancy and technical assistance services for the implementation and operationalization of an IT application/platform for the development of the data collection, processing and reporting system in the process of implementing Directive 91/271/EEC concerning urban waste-water treatment*- in progress; (iv) promoting a draft normative act (law) on defining the obligations and responsibilities related to the collection and treatment of urban wastewater, as they arise from the UWWTD provisions - completed partially by GEO No 144/2021 for amending and supplementing the Law No 241/2006 on the water supply and sewerage service. The project is financed by ACOP 2014-2020 and has a value of 15.821 million lei; the activities started in August 2019, and have as completion term December 2022.

Works to improve flood protection systems continue at a fast pace, but also the works for fulfilment of the complex desiccation-drainage and land improvement systems, respectively drainage, continue through the interventions of both ANAR - MMAP, and ANIF - MADR. [Further information in this regard is available in Annex I regarding the CeSaR database.](#)

Between 1 September and 15 October 2021, drill and accident simulation exercises were organized for hydro-technical constructions on river basins and counties, in order to verify the operation of the meteorological and hydrological information flow of warning-alarming the population. Each Water Basin Administration organized independently exercises to simulate the flood incurring, in order to train its own personnel, respectively to increase the intervention efficiency in emergency situations.

Between 13 September and 26 November 2021, checking the technical and functional condition of the hydro-technical constructions with flood protection role, on the inland rivers and on the Danube, regardless of the owner, was organized in each county.

Meetings/ round tables were held with relevant authorities in the field, in order to propose solutions on the problem of flood risk and to exchange information on the development of best practices in flood risk management.

We list below only the most important projects for flood risk protection, as projects/measures in this field can be considered complementary projects/measures, similar to NRRP measures and have to be reported in detail in the relevant database: **A) projects/measures funded under ACOP 2014-2020:** (i) *Strengthening the Capacity of the Central Public Authority in the field of Water Management* in order to implement the second and third stages of the Flood Directive - RO-FLOODS, Cycle II; (ii) *Strengthening the Capacity of the Central Public Authority in the field of Water Management to Implement the National Flood Risk Management Strategy in the Medium and Long Term*; **B) projects/measures funded under LIOP:** (iii) *Increasing the Training Level of Intervention Crews for Rapid and Effective Disaster Response*; (iv) *ANAR Associated Training and Endowment with Machinery and Equipment for Measuring and Monitoring the Water Management Infrastructure as well as Improving the Capacity to Intervene and Preventive Actions to Secure Existing Capacities*; (v) *the WATMAN II project - Information system for the integrated management of water - Stage II - alarm systems, integrated communications and Decision Support System (DSS)*, with the possibility of obtaining financing from external grants (SDOP); (vi) *Promoting Adaptation to Climate*

Change, Prevention and Risk Management, projects were submitted to reduce the effects and damages on the population, caused by natural phenomena, associated with the main risks stressed by climate change, mainly floods and coastal erosion, of which: **(vi) a) *Reduction of Coastal Erosion Phase II (2014-2020)*** - a project having ANAR as beneficiary for preventing coastal erosion, through specific actions to contain its negative effects of erosion on the coastal areas of the Romanian seaside; **(vi) b) *Flood defence of Babadag, Tulcea County*** - a 82.5 million lei project, having MMAP as beneficiary in partnership with ANAR.

In terms of **nature protection and biodiversity conservation**, no new Natura 2000 sites were designated in 2021. Currently, ANANP runs three projects for the implementation of management plans (dedicated to four Natura 2000 sites and related protected natural areas of national interest), and another two projects are under evaluation at LIOP MA (out of the 51 partnerships concluded by ANANP, in 2019 and 2021, in order to implement management plans). At the same time, in 2021, ANANP submitted 17 applications for the elaboration of management plans for approx. 137 protected natural areas.

ANANP institutional capacity is increased by: recruiting adequate staff, endowing the institution with apparatus and equipment, digitalising its activity to increase the protection of habitats and species according to specific conservation objectives.

The trained staff developed the specific conservation objectives for 240 Natura 2000 sites, and conservation measures for 263 Natura 2000 sites, and the documentation for 103 sites is currently in different stages of elaboration. Thus, all 606 Natura 2000 sites will soon benefit from this compulsory documentation required in regulatory procedures.

In 2021, **for the harmonization of forestry, agro-pastoral arrangements and urban plans with the management plans of protected natural areas**, ANANP approved 15 pastoral arrangements. With regard to nature protection and biodiversity conservation, through LIOP (SO 4.1), before 31 December 2021, one call for projects was launched on the development and implementation of protected area management plans/action plans for species/sets of conservation measures and one call for projects is open until 30 June 2022 for actions on the maintenance and restoration of degraded ecosystems and provided services. Through the selected project applications, 48,686 ha of habitats will be supported in order to obtain a better conservation stage and 57 sets of measures/management plans/ action plans are to be elaborated and approved (LIOP target for 2023).

Under the *InterReg Danube Regional Cooperation Programme*, the EC approved funding for the *GoDanuBio project - Participative Ecosystems for fostering the revitalization of rural-urban cooperation through governing Danube Circular Bio-economy*⁸, having MEc as partner member of the project consortium. The main objective of the project is to actively address demographic change by revitalizing rural areas, using participatory cooperation at several levels of government. The project aims to develop a common platform to continue to operate after its completion (*Danube Circular-Bio-economy Brain Trust Platform*). The circular bio-economy will be used as a regeneration system that will focus on rural areas and will reduce disparities through renewed rural-urban cooperation. The project, amounting to 2.71 million euro, has to be implemented by the end of 2022.

In February 2021, the project's Regional Reports were finalized. According to these reports, the projects are presented and analysed, and the macro-regional documents reveal three reference themes for the GoDanuBio project: sustainable rural development, bio-economy/ circular economy and demographic changes⁹. The opening conference of the GoDanuBio project took place in Sofia, Bulgaria, on 20 - 21 May 2021.

Afforestation works on degraded land have continued in order to mitigate the effects of climate change. The measures are financed both by NRRP (for more details please refer to Annex I) and by the state budget, through the AFM budget (6 million lei budget allocated in 2021), of the Forest

⁸ More about the project available at: <http://www.interreg-danube.eu/approved-projects/godanubio>

⁹ The 11 regional reports are available on the project website: <http://www.interreg-danube.eu/approved-projects/godanubio/outputs>

Guards (3.45 million lei budget allocated in 2021), and of RNP-Romsilva (0.137 million lei budget allocated in 2021).

The *Programme for Development and Optimization of the National Air Quality Monitoring Network (RNMCA)* is underway to **modernize the air quality monitoring**, in Romania; through this programme the following activities are carried out: optimization activities for the RNMCA available equipment, respectively the development activities by introducing new RNMCA sampling points to measuring air quality and by relocating available RNMCA equipment/ stations to other locations. Between April 2021 and April 2022, eight more air quality monitoring stations were commissioned (RNMCA currently includes a total of 158 operational stations), another four stations delivered between September and November 2021, being connected to the electricity network.

In order to provide a real-time information of the public on concentrations of suspended particles in the air (PM₁₀/PM_{2.5}), in October 2021, through the *RNMCA Programme*, 30 analyser supply services were contracted and they will be located to complement the local networks in Bucharest (including the Ilfov area), Brasov, Cluj-Napoca, Craiova, and Iasi.

Moreover, in order to improve the intervention capacity in case of pollution episodes and to inform in real time the public about the ambient air quality, , supply services of four mobile laboratories were contracted in October 2021; these labs are furnished with the necessary equipment for air quality monitoring within the local air quality monitoring networks from the urban agglomerations of Bacau, Brasov, Bucharest and Iasi. To perform the measurements, the mobile laboratories will be furnished with pollutant measurement equipment (SO₂, NO_x/NO₂, CO, COV, PM₁₀, H₂S, NH₃), calibration equipment, meteorological parameters monitoring equipment, data transmission systems, including software applications for collection, processing and transmission of specific RNMCA data etc.

For accessing real-time air quality data across the country, mobile phone quality interface/application delivery services were contracted. The application, once downloaded, allows users to be informed about air quality through an accessible platform using their mobile phone.

In addition, the projects *Improving the National Air Quality Assessment and Monitoring System* (having a total eligible value of 15.04 million euro) and *Expanding and Modernizing the Air Quality Monitoring and Control Infrastructure in order to Increase the Accuracy of the Information and the Capacity to Respond to Pollution Episodes* are financed through LIOP 2014-2020 (SO 4.2) (having a total eligible value of 11.52 million euro).

Mitigating climate change effects on agriculture

The NRDP 2014-2020¹⁰ supports the **reduction of GHG and ammonia emissions from the agricultural sector**. Investments aimed at achieving an adequate level of farm endowment, modern facilities for the storage and use of manure and sewage sludge, biogas facilities, equipment used in agriculture to reduce the GHG and ammonia footprint, as well as technologies to support a low-carbon economy. By 7 April 2022, 449 projects were contracted through this programme, the payments made amounting to 238.82 million euro.

EAFRD-funded investments to mitigate climate change aim at **updating secondary irrigation infrastructure** (outbuildings for pumping stations and/ or connecting to utilities, including the modernization of collection basins and irrigation water storage). Currently, 477 contracts support the meeting of this NRDP 2014-2020 objective.

The development of land improvement activities has always been a priority in the policies

¹⁰ Under Priority 5 - *Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors*, Focus Area (FA) 5D *Reducing greenhouse gas and ammonia emissions from agriculture*, Sub-Measure 4.1 *Investment in Agricultural Holdings* falls under Measure 4 *Investment in Physical Assets* and contributes to the Focus Areas (FA) 2A *Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increase market participation and orientation as well as agricultural diversification* and FA 5D *Reducing greenhouse gas and ammonia emissions from agriculture*.

adopted in this sector; *The National Programme for Rehabilitation of the Main Infrastructure in Romania* provides measures on mitigating climate change and reducing its effects, as well as measures to increase energy efficiency in irrigation and better water management.

For the next period, the following measures are considered: **(i)** Ensuring the contribution to the management of the agricultural production vulnerabilities to climate change, including increasing prevention and management of climate-related risks; **(ii)** Financing investments aimed at adapting land improvement infrastructure to the new requirements for an environmentally sustainable use, by integrating more energy-efficient equipment and reducing water losses, as well as by investing in infrastructure to combat hail and rising rainfall in order to meet the long-term challenges posed by climate change; **(iii)** Addressing the challenges resulting from the green transition, which aim at mitigating and managing climate risks, so as to reduce the negative effect of the current and future climate on people, nature or activities carried out in the areas served by such infrastructures; **(iv)** Promoting sustainable agricultural practices and water management in order to increase the sustainability and efficiency of land improvement infrastructure, and the transition to crops and water management practices to reduce the amount of water used; **(v)** Animal husbandry reform, which aims to increase the resilience of the pig and poultry sectors by developing farms focused on energy efficiency, environmental protection, animal welfare and economic competitiveness; **(vi)** Improving biodiversity, ecosystem services, habitat conservation, landscapes, increasing carbon sequestration capacity and strengthening the resilience of permanent grasslands, for approx. 2.1 million ha of permanent meadows.

The measures presented in this chapter can contribute to the fulfilment of SDG 1, SDG 2, SDG 3, SDG 6, SDG 7, SDG 9, SDG 11, SDG 12, SDG 13, SDG 14 and SDG 15.

3.2.2. Energy

REFORMS AND INVESTMENTS IN THE NRRP

The importance of the energy field for ensuring a more sustainable future is reflected extensively in the NRRP, mainly through the dedicated component - component 6 Energy, where the flagship reforms are found, as well as through components 5 and 10 of the NRRP. All these components include reforms and key measures for the decarbonisation of the energy and transport sectors; these reforms are aimed at phasing out coal-fired electricity production by 2032, enabling the potential for renewable energy sources and for energy rehabilitation, sustainable mobility, water and waste management and biodiversity. These are essential steps for decarbonisation and consolidation of circular economy, as well as developing a favourable legislative and regulatory framework for the technologies of the future (e.g. for hydrogen). Investments in renewable energy, energy efficiency of public and private buildings and in the efficient use of resources and in the field of the environment, as well as specific circular economy measures will also promote the green transition to key sectors of the economy.

The plan also includes significant investments in the energy efficiency of public and private buildings and their efficient use of resources, as set out in Components 5 - Renovation Wave and 10 - Local Fund for the green and digital transition and measures to facilitate private investment in industrial sectors, provided under Component 6 - Energy.

By the end of the Q1/2022, measures were implemented on:

- Decommissioning of 1,695 MW of coal-fired electric power-production capacity (Q4/2021);
- Establishing a national support scheme for energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of multifamily residential buildings and for public buildings (Q1/2022);
- Opening a call for tender for projects for the production of energy from renewable sources (wind and solar) (Q1/2022).

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ Promoting renewable energy sources
- ✓ Boosting the energy production from less exploited renewable sources
- ✓ Promoting high efficiency cogeneration
- ✓ Modernizing the centralized heat supply systems of communities
- ✓ Increasing the energy efficiency for residential and public buildings and for public lighting systems
- ✓ Increasing the interconnection capacity of the national electric power and gas transmission systems

Additional information available in Annex I regarding the CeSaR database.

Promoting renewable energy sources (RES)

The Environment Fund has continued to finance the following programmes to promote renewable energy sources (RES): (i) *The Programme for the Installation of Photovoltaic Panels for Electricity Production to Cover the Required Consumption and to Deliver the Surplus to the National Grid, for the Bucharest - Ilfov Region*; (ii) *The Programme for the Installation of Photovoltaic Systems for Isolated Households - Individual Beneficiaries*.

The RES promotion has continued also through the implementation of **green certificates (GC)**. ANRE has established the mandatory annual GC acquisition quota, taking into account an average impact for the final consumer of maximum 14.5 euro/MWh, as from 2022.

In addition, ANRE has drafted **the new regulatory framework to facilitate the sale of electricity produced from renewable sources by power plants** with an installed electrical power of up to 400 kW per consumption site belonging to prosumers and distributed through the power grid to those electric power producers with which prosumers concluded supply contracts.

Thus, the quantitative compensation to prosumers with up to 200 kW installed power will be granted until 31 December 2030, in the context of measures and actions for achieving the commitments on the share of renewable energy in 2030, as specified in the National Energy and Climate Change Plan. In the case of prosumers that produce electricity in power generation facilities with an installed power between 200 kW and 400 kW and that have concluded electricity supply contracts, the electricity suppliers will purchase the electricity produced and delivered at a price equal to the weighted average price registered in the Market for the next day of the month in which that energy was produced; the financial regularization between the delivered electricity and the consumed electricity from the network shall be made in the bill of prosumers.

The use of RES is also promoted through the ROP. *The Programme for the Installation of Photovoltaic Panels for Electricity Production to Cover the Required Consumption and to Deliver the Surplus to the National Grid for Seven Development Regions of Romania* will finance 11,344 contracts, with an eligible value of 105.24 million euro (of which 89.45 million euro from ERDF). Seven financing agreements were signed with AFM, with an eligible value of 105.24 million euro (of which 89.45 million euro from ERDF). By 18 March 2022, ROP MA disbursed 27.6 million euro.

Boosting the energy production from less exploited renewable sources

Investments in supporting the energy production from less exploited renewable resources (i.e. **biomass, biogas, geothermal**) are also made with funds from ESIF, through LIOP (SO 6.1). To that end, *GD No 1037/2020 on the approval of the State Aid Scheme for supporting the production and distribution in centralized system of green thermal energy from less exploited renewable sources, respectively biomass, biogas, geothermal energy* was adopted and extended, for SACET, by *GD No 1287/2021*. *GD No 195/2022 on the approval of the State Aid Scheme for supporting the investment to promote the production of energy from less exploited renewable sources, namely biomass, biogas, geothermal energy, and the State Aid Scheme for supporting the investments in high efficiency cogeneration* was approved. For the Distribution Sector, it is worth mentioning the approval of *Order No 860/2021 on the approval of the State Aid Scheme for investments in energy infrastructure, in order to take over the energy produced from renewable resources, observing the safety conditions of the National Energy System, as well as the implementation of intelligent electricity metering systems for household consumers, related to Priority Axis 6 Promoting clean energy and energy efficiency in order to sustain a low carbon economy*.

Under the *Renewable Energy, Energy Efficiency, Energy Security Programme*, funded by the EEA and Norway Grants 2014-2021 (62.8 million euro), 46 projects are being implemented (19 renewable energy projects, 21 projects for energy efficiency, four projects for electrification of households and two projects for hydro). Another nine projects have been completed. Moreover, three calls for projects took place in 2020-2021 and the related project applications submitted are under evaluation (*Other renewable energy sources, Geothermal and Research and*

Development).

Promoting high efficiency cogeneration

MEEn, together with ANRE and CC have taken steps to **amend the Operational State Aid Scheme to promote high-efficiency cogeneration**. The 2021 - 2033 total budget of the State Aid Scheme is estimated at 21.883 billion lei. On 20 December 2021, the EC approved these amendments; in accordance with this EC Decision, on 25 March 2022, the Romanian Government approved *GD No 409/2022 for the amendment and completion of GD No 1215/2009 on establishing the criteria and conditions for the implementation of the support scheme promoting high efficiency cogeneration based on the demand for useful thermal energy*.

To support investments in installations and equipment leading to energy savings in industrial enterprises, SNGN ROMGAZ SA will complete investment in CTE Iernut by the end of 2022.

Modernizing the centralized heat supply systems

In order to continue the **modernization of the centralized heating supply systems**, the *Programme for District Heating* (implemented over the period 2019 - 2027) was approved by *GEO No 53/2019*; the beneficiaries of this programme are the Territorial-Administrative Divisions (TADs). This multiannual programme aims mainly at ensuring the continuity of the modernization work of the heating supply systems, on the functional components, as follows: the heating production facility(ies); the primary heating transmission network (hot water); thermal power station, or heating modules at building level, where economically justified; hot water supply and central heating networks. The establishment of centralized heating supply systems for towns will be also financed.

Increasing the energy efficiency for residential and public buildings and for public lighting systems

In order to ensure the public policy framework from the **building energy performance perspective**, MLDPA has elaborated with the WB support *The National Long Term Renovation Strategy to Support the Renovation of the National Stock of both Public and Private Residential and Non-Residential Buildings, and to progressively transform it into a High Energy Efficient and Decarbonized Building Stock by 2050*. The strategy was approved by the GD No 1034/2020 and aims for an integrated approach of the interventions on the building stock from the perspective of seismic consolidation and energy efficiency, mitigating fire hazard, improving indoor air quality, and the transition to smart buildings. The implementation must ensure the correlation of measures established by the latter announced interventions with those aiming at mitigating the seismic activity related risk, to have an objective investment funding ranking.

In order to implement this strategy, *the draft GD for the approval of the Action Plan for the Implementation of The National Long Term Renovation Strategy to Support the Renovation of both Public and Private National Stock of Residential and Non-Residential Buildings, and Transforming it Progressively into a High Energy Efficient and Decarbonized Real-Estate Park before 2050 - stage 1 - 2022-2030* was drafted and currently is on inter-institutional approval circuit.

Within ROP 2014-2020, the package of measures aimed at **increasing energy efficiency in residential buildings, public building and public lighting systems** is under implementation, benefiting from a total financial allocation (ERDF) of 793.25 million euro for the entire implementation timeframe.

Under the **Environmental Fund**, the funds (revenues generated from the auctioning of the GHG emission certificates), were earmarked to: (i) *The Programme on Increasing the Energy Efficiency and Intelligent Energy Management on the Public Lighting Infrastructure*; (ii) *The Programme on Carrying out Works aimed at Increasing Energy Efficiency in Single-Family Dwellings, Individual Beneficiaries*, for the rehabilitation of the single-family buildings through the insulation of walls,

roofs, replacement of windows etc.; (iii) *The Programme on Increasing the Energy Efficiency and Intelligent Energy Management on the Public Buildings*, aiming at the rehabilitation of the public buildings through insulation of walls, roofs, replacement of windows etc.

Under *the Multiannual National Programme on the Increasing Energy Performance of the Apartment Buildings*, implemented by MDLPA, according to the GEO No 18/2009, with subsequent amendments and completions, 70 objectives - apartment buildings - were completed in 2021. Currently, three multiannual financing programmes are underway, for which commitment appropriations amounting to 298.1 million lei are allocated, i.e. the amount of 89.6 million lei for the programme running in the period 2021-2023, 74.6 million lei for the programme running in the period 2020-2022 and 133.9 million lei for the programme running in the period 2022-2024. The amount of 34.2 million lei was paid from the State Budget in 2021 for the objectives implemented through the two programmes aforementioned. By the 2022 State Budget Law, commitment appropriations amounting to 150 million lei and budgetary credits amounting to 48 million lei were allocated.

Under the Specific Objectives of LIOP on promoting energy efficiency, the following projects were implemented: (i) *Promoting Systems for Measuring, Recording and Monitoring Energy Consumption on Industrial Platforms* (LIOP SO 6.2); (ii) *Construction and Upgrading of High Efficiency Cogeneration Power Plants on Natural Gas and Biomass (maximum 8 MW) in Enterprises Using Waste Gases from Industrial Processes* (LIOP SO 6.4); (iii) *Modernization of Centralized Heating Transmission and Supply Systems in Cities* (LIOP SO 7.1); (iv) *Rehabilitation of the Heating System of the Bucharest Municipality* (LIOP SO 7.2); (v) *Increasing energy efficiency and the use of renewable energy sources for preparation of a green, digital recovery and economic recovery* (PA 10, SO 10.2 funded by REACT-EU). [Additional information regarding the implementation of these projects is available in the CeSaR database.](#)

Increasing the interconnection capacity of the national electric power and gas transmission systems

In order to increase the interconnection capacity of the national electric power transmission system and to achieve the committed level of interconnectivity (15.4%, by 2030), *the Development Plan of the National Gas Transmission System for the period 2021-2030* envisages investment projects for the cross-border integration of Romania's energy networks in the following directions: (i) Serbia, through the Western and South-Western interface of Romania; (ii) Bulgaria; (iii) Ukraine and the Republic of Moldova.

In order to complete *the Project of Digitalisation of the Romanian Energy System, Including the Transmission and Supply Networks ("smart grids")*, ANRE monitors the implementation of these digital systems and publishes on its own website, by the end of the Q2 of each current year, the *Report on the Implementation of Intelligent Electricity Metering Systems for the previous year*¹¹. Thus, the 2021 report is to be published by 30 June 2022.

With regard the **natural gas sector**, Transgaz draws up annually the 10 year *Development Plan of the National Gas Transmission System (PDSNTGN)*, and its latest edition (PDSNTGN 2021-2030) details the measures for funding major projects, estimated at 3.55 billion euro. From the proposed projects we recall: (i) The connection on the bidirectional natural gas transport corridor Bulgaria - Romania - Hungary - Austria (BRUA); (ii) Taking over the natural gas from the Black Sea Coast (connection on the Southern Transport Corridor, by telescopic pipeline, on Tuzla - Amzacea - Podisor direction and Vadu -Transit 1 connection); (iii) Romania - Serbia connection, on Arad - Mokrin direction; (iv) Romania - Ukraine connection (connection on the Gheraesti - Siret direction; connection with the international natural gas pipeline Transit 1 and Isaccea reverse flow; upgrading SMG Issacea and SMG Negru Voda to achieve bidirectional flow on the pipelines Transit 1, Transit 2 and Transit 3); (v) National Gas Transmission System connection in the North-Eastern Romania to improve the natural gas supply of the area as well as to ensure the transport capacities

¹¹ <https://www.anre.ro/ro/energie-electrica/informatii-de-interes-public/info-sisteme-de-masurare-inteligenta>

to/ from the Republic of Moldova (PI Ungheni), on the Onesti-Gheraiesti-Letcani direction; (vi) Romania-Bulgaria interconnection, on Giurgiu - Ruse direction; (vii) development/ modernization of National Gas Transmission System in the North-Western Romania.

Through LIOP (PA 8, SO 8.2) funding, a new call for projects was launched for *Increasing the Interconnection Degree of the National Gas Transmission System with other Neighbouring States* (launched on 17 August 2020 and extended until 31 December 2021). Project applications selected for funding will contribute to reaching the 2023 target (i.e. 336 km) of the indicator “the length of smart gas transmission and distribution networks”. The allocated budget for the call for projects amounts to 169.34 million euro, with an extra-contracting ceiling of 235.29 million euro. Under this call, 243 project applications were submitted, amounting to 2.56 billion euro (X10 the call budget), of which 10 projects amounting to 322.52 million euro were contracted during 2021, and 15 projects were approved and are to be contracted in the Q2/2022.

The measures presented in this chapter can contribute to the fulfilment of SDG 6, SDG 7, SDG 9, SDG 11, SDG 12, SDG 13 and SDG 15.

3.3. Digital transformation

REFORMS AND INVESTMENTS IN THE NRRP

The digital transformation represents the second pillar around which the NRRP structure was developed, by attaining this objective one aims at setting out the conditions for integration of digital technologies in all sectors and fields of activity, as well as to increasing the degree of transparency of the institutions' activity as regards the citizen and cutting red tape. The crosscutting nature of the digital transformation goal is also considered by including the relevant measures in all 15 components of the NRRP. The digital transformation is addressed within both a dedicated component - the Component 7 Digital Transformation and other components of NRRP with focus on the Components 8, 9, 12, 14 and 15.

Component 7 *Digital Transformation* focuses on digital public services for citizens and businesses, connectivity, cybersecurity and digital skills. The reforms and investments target the governmental cloud, the widespread issuance of electronic ID cards, the digitalisation of key business activities and sectors, such as the public procurement, environment, judiciary, healthcare and labour market integration. The investments, which aim at more than just purchasing ICT equipment, have the purpose to develop and implement advanced technologies in order to optimize processes and increase the accessibility and availability of interoperable public services, respecting the "once only" principle.

Each of all 15 components of NRRP also includes measures related to the digital field, in particular the Component 8 *Fiscal reform and pension reform* which also aims for the digitalisation of these sectors; Component 9 *Support for business environment, research, development and innovation*, which also includes the digitalisation of enterprises, and the Component 15 *Education* which also focuses on the digitalisation of the educational process, including the process of amending the legal framework to allow integrated approaches and the improvement of digital skills for both students and teachers.

By the end of Q1/2022, measures were implemented on:

- Operationalization of a task force for implementing and monitoring the reforms and digital investments proposed in NRRP (Q1/2021);
- The entry into force of the law on the security of 5G networks (Q 4/2021);
- Adoption of the National Cyber Security Strategy 2021-2026 (Q4/2021);
- Completing the review the options regarding the governmental cloud architecture (Q1/2022);
- Launching the call for proposals for Support in the form of grants for digital skills (Q1/2022);
- The entry into force of the OM to ensure the standards for equipping schools with technological equipment and resources for online educational purposes and to ensure a lasting impact of the proposed investment (Q1/2022).

Information also available in Annex II regarding the FENIX database.

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Other measures (in addition to NRRP)

Key directions:

- ✓ Digital transformation of public administration

- ✓ Cyber security
- ✓ Digital infrastructure
- ✓ Digitalisation of SMEs

Additional information available in Annex I regarding the CeSaR database.

Digital transformation of the public administration

The **institutional framework** designed for *achieving and coordinating the implementation of public strategies and policies in the field of digital transformation and the information society* is operational by means of the following bodies: with decision-making role - the *Committee for e-government and bureaucracy reduction*¹²; with supportive role in issuing specialized opinions - the *Technical-Economic Committee for the Information Society - CTE*¹³ (during 2021, the CTE held 39 ordinary meetings and one extraordinary meeting, issuing 203 opinions), and with consultative role - the *National Council for Digital Transformation - CNDT*¹⁴ (aiming at making use of the private and academic know-how).

Thus, the Authority for the Digitalisation of Romania (ADR)¹⁵ continues to operate as an institutional body with legal personality, under subordination of the Ministry of Research, Innovation and Digitalisation, according to the GD No 371/2021.

As regards the **policies and measures in this field**, the current aim is the implementation of the strands of action provided in the *Strategy Paper for digital governance and management of electronic public services at the public administration level* - i.e. the public policy in the field of e-government, while the roadmap for the digitalisation of public services over the next decade was adopted by the Government on 3 June 2021.

For **building the administrative capacity and streamlining the digital transformation of the public administration**, the following projects are under implementation: *The Digital Transformation of the Romanian public administration*, the *Strategic framework for the adoption and use of innovative technologies in public administration 2021-2027 - solutions for streamlining the activity* (SIPOCA 704) and *Developing the administrative capacity in the field of public governance - a coordinated approach of the Romanian Government centre*, through the Digital Governance component

A number of e-government platforms which aim to *increase the access of citizens to public services and to reduce administrative burden* are operational: a) the **National Electronic System SEN** (www.e-guvernare.ro) which host the Single Digital Gateway within the European Single Digital Gateway network; b) the **Electronic Public Procurement System - SEAP** (www.e-licitatie.ro); c) the **Electronic Award System in Transport** (www.autorizatiiauto.ro); d) the **National Tax Payment Electronic System - SNEP** in which payment with bank cards is accepted (www.ghiseul.ro); e) the **National Trade Register Office online services portal** (<https://portal.onrc.ro>); f) **PatrimVen Service** (<https://epatrim.anaf.ro/>); g) **Virtual Private Space online platform** (https://www.anaf.ro/anaf/internet/ANAF/servicii_online/inreg_inrol_pf_pj_spv).

In order to **increase the use of e-Government systems**, under COP, all the 17 *project applications* submitted were approved, of which 15 *projects were contracted* while two project applications were proposed for financing by the National Audio-Visual Council and the State Office for Inventions and Trademarks. Out of the 15 contracted projects, five projects have been completed and 10 projects are currently in various stages of implementation, as follows: (1) *The*

¹² Established on 24 May 2021, by the Decision of the Prime Minister of Romania No 331/2021

¹³ Established in accordance with the GD No 941/2013

¹⁴ Set up according to GD No 89/2020 on organization and operation of the Authority for Digitalisation of Romania

¹⁵ Idem 17

technological interoperability system with the EU Member States - SITUE; (2) the ONRC consolidated and interoperable integrated electronic system designated to e-Government services focused on life events; (3) Integrated Information System for the issuance of Civil Status Documents - SIIEASC; (4) National Management System on Disability (SNMD); (5) MMPS - SII MMPS Services Hub; (6) two projects of the Ministry of Foreign Affairs: *Integrated Electronic Management System for Travel Documents (ePass)* and *Integrated system of personalized alerting and permanent updating of risk indicators for travel destinations*; (7) the *National Electronic System for Adoption* project - SINA; (8) the project *Centralized Software Platform for Digital Identification (PSCID)*. [Additional information regarding the projects implementation status is available in the CeSaR Annex.](#)

As regards the **electronic identity**, one of the specific pillars of the digitalisation, some progress has been made as follows:

- The general legal framework on **using the electronic documents by the public authorities and institutions was set up** by adopting GEO No 38/2020, the institutions being responsible for determining the type of electronic signature applicable for the use by natural or legal persons of their own services available online;
- The project ***Digital Identity Centralized Software Platform*** contracted in September 2020 and designed to ensure the unique electronic identity of each citizen is under implementation. This project aims to ensure the *access gate and the first secure point of e-Government services*.

To a **better integration of e-government services for business and citizens** into the National Electronic System (SEN), the ***Single Electronic Contact Point - PCUe*** platform is operational (<https://edirect.e-guvernare.ro/SitePages/landingpage.aspx>) and continues to be developed by implementing the project *The e-government services - PCUe*, started in June 2021 (term: June 2023) and financed from the ADR budget. Through PCUe, the authorizations/ approvals/ certifications/ qualifications can be obtained electronically. Moreover, from the perspective of compliance with the principles set out in the Regulation (EU) 2018/1724 establishing a single digital portal (gateway), PCUe will provide with ***integration with the PSCID IT related system*** and the interoperability HUB, as well as the implementation of the “once-only” principle that will ensure the interoperability of the IT systems of government institutions in the area of electronic public services.

Digitalisation in construction, architecture and urbanism is aimed to be achieved through some complementary actions carried out by the MDLPA, funded by the ACOP 2014-2020 and the NRRP.

Cyber security

The efforts to **strengthen administrative capacity in the field of cyber security** have continued: the National Cyber Security Incident Response Center - CERT-RO was transformed into the National Cyber Security Directorate - DNSC i.e. a specialized body in public administration with legal personality, subsequent to the adoption of the Law No 11/2022; the implementation of the project *Integrated management system for a performing informational society (SIMSIP)* - SIPOCA 391 is to be completed (term: May 2022); the project *Capacity building in line with the Cybersecurity Act for the Romanian competent authorities CERT-RO and RENAR* is under implementation; as from 2021, the new occupations specific to the cyber security field were included into the *Romanian Classification of Occupations (COR)*

Building the operational capacity of the DNSC will be also achieved by implementing the project titled *Early warning and real-time information system - RO-SAT* which is under implementation through COP.

Given the **challenges in the field of cyber security** (cyber threats and attacks), DNSC also implements the following projects: (A) financed by CEF TELECOM: 1) the *Cyber Exchange* project and 2) *Joint Threat Analysis Network - JTAN*, and (B) funded by HORIZON 2020: 1) *Geiger*

Cybersecurity Counter (GEIGER); 2) Artificial Intelligence Threat Reporting and Incident Response System - IRIS and 3) Security And Privacy Protection In the Internet of Things Devices - SECANT (for more details please refer to Annex I).

In order to ensure the cyber security of ICT systems and computer networks (Action 2.3.2 of POC), the project *Strengthening the capabilities for prevention, identification, analysis and response to cyber incidents by the Protection and Guard Service "POC_CYBER_2021"* and other two projects aiming to increase the operational capacity of the Romanian Intelligence Service (SRI) namely: *Upgrading and developing the national protection system of the current IT&C critical infrastructure for the national security against cyber-attacks* and *The system for the protection of terminals operated by SRI against threats derived from cyberspace* are under implementation.

Digital infrastructure

With regard the transposition of the *Directive (EU) 2018/1972 establishing the European Electronic Communications Code*, the draft *Law on amending and supplementing normative acts in the field of electronic communications and on establishing measures to facilitate the development of electronic communications networks* is due to be adopted, this normative act being approved by the Romanian Parliament on 13 March 2022.

In addition, pursuant to the *Commission Implementing Regulation (EU) 2020/1070* from 20 July 2020¹⁶, ANCOM collected and reported to the EC the information on restricted radio access referred to in the Regulation.

In order to *streamline and accelerate the underground installation of electronic communications networks*, on 18 January 2021, ANCOM published the *Applicant's Guide for the approval of the conditions of access to the underground pipeline for the installation of communications networks* in order to support public administration authorities, especially at local level, in the effective application of Law No 159/2016¹⁷. Moreover, for the application of the law aforementioned, ANCOM has established the maximum tariffs for the access to the physical infrastructure, it shall establish the indicative tariffs for access to the infrastructure of the network operators, and it has adopted the *Decision of the President of ANCOM No 156/2022 regarding the indicative tariffs for accessing the pillars belonging to the network operators*

As regards the *coverage map of the public broadband electronic communications networks*, the ANCOM completed its third version which was made available to MCID on the basis of the Memorandum: *Measures needed for fulfilling the favourable condition "National or Regional Plan on Broadband" provided for the EC proposal for a Regulation laying down common provisions for a number of post 2020 EU funds (CPR)*, approved in Government meeting on 14 May 2019.

A *proposal of public policy in the broadband communication field* as a deliverable of the project *Establishing the reference framework in the field of broadband network development in Romania* (implementation term: 31 July 2023) is envisaged.

With regard the *development of broadband communications infrastructure*, the Ro-NET project *Development of a national broadband infrastructure in disadvantaged areas*, by using structural funds and financed through COP, is due to be completed by mid-2022.

¹⁶ Specifying the characteristics of small-area wireless access points under Article 57 (2) of Directive (EU) 2018/1972 of the European Parliament and of the Council establishing the European Electronic Communications Code

¹⁷ On the regime of the physical infrastructure of electronic communications networks and on the establishment of measures to reduce the cost of installing electronic communications networks.

Digitalisation of SMEs

In order to **support investments for the digitalisation of SMEs**, through COP 2014-2020, three calls for proposals totalling 100 million euro related to the COP Action 2.2.1¹⁸ were opened. So far, 112 projects have been implemented.

The measures presented in this chapter can contribute to the fulfilment of SDG 1, SDG 8, SDG 9, SDG 11 and SDG 16.

¹⁸ Supporting the added value generated by the ICT sector and innovation in the field through the development of clusters.

3.4. Business environment and competitiveness

3.4.1 Creating a favourable environment for public and private investments

REFORMS AND INVESTMENTS IN THE NRRP

The support for business environment is addressed in Components 3, 6, 7, 8, 9 and 11 of the NRRP.

The business environment is mainly supported in Component 9 - *Support for the private sector and research, development and innovation*, through financial instruments, the financing of a project of strategic importance in the field of microelectronics, as well as a reform on legislative transparency, debureaucratization and procedural simplification for business environment. Within the RDI component, SMEs can participate in complex research projects, mentoring programmes to support the development of organizational excellence, as well as in Romania's participation in Horizon Europe partnerships and missions.

Component 8 - *Fiscal and Pension System Reforms* provides for the establishment of the National Development Bank, which will cover the market financing gap, ensure improved access to finance for eligible beneficiaries and provide expertise for the development of new products. Business environment is also addressed in Component 3 - *Waste Management*. Component 6 - *Energy* includes investments in new production capacities from renewable sources, Industrial production chain and/ or assembly and/ or recycling of batteries, cells and photovoltaic panels, as well as new electricity storage capacities. Moreover, Components 7 and 11 provide for investments in schemes dedicated to training/ requalifying of employees in companies, as well as in accelerating the digitalisation of film production and distribution.

By the end of Q1/2022, measures were implemented on:

- Signing of the contribution agreement between the EC and the Government of Romania for the following investments: I2. Measure 1. Resilience Portfolio Guarantee, I2. Measure 2. Climate Action Portfolio Guarantee, I2. Measure 5. Financial Instrument for Energy Efficiency Investments in the Residential and Building Sector (Q4/2021);
- The establishment and operationalization of the Reform Implementation Unit under the Policy Support Facility (PSF) (Q4/2021);
- Signing the financing agreement between the European Investment Fund and the Government of Romania for the creation of the *Recovery Venture Capital Fund* and the adoption of the investment policy of the fund for I2. Measure 3. Recovery Venture Capital Fund (Q4/2021);
- The establishment of the financial instrument ("the Fund") and adoption of the Fund's investment policy for I2.4 Financial instruments for the private sector - Fund for digitization, climate action and other areas of interest (Q4/2021);
- The selection of the scheme administrator for I3.1 Private sector aid schemes - Aid scheme for digitising SMEs (Q1/2022).

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ **Developing the sectors with growth potential**
- ✓ **Supporting SMEs**
- ✓ **Supporting cultural and creative industries**
- ✓ **Improving the performances of public enterprises**
- ✓ **State aid schemes for supporting investments**
- ✓ **Other measures to improve the business environment**

Additional information available in Annex I regarding the CeSaR database.

On 11 April 2022, the **Support for Romania** Programme was presented and consists in a package of economic and social measures conceived to mitigate the effects of overlapping ongoing crises. The package value is 17.3 billion lei (funded from both EU funds with roughly 52% and State Budget with roughly 47%), and it aims to achieve three main objectives: supporting the economy for a healthy economic growth, achieving social cohesion and solidarity across generations. The proposed actions aim at protecting jobs, implementing social measures for disadvantaged people, the elderly, employees, pupils and students, families, children and young people, supporting agriculture, SMEs, carriers and distributors, stimulating investment with a major impact on the economy, and continuing ongoing public investment.

Developing the sectors with growth potential

For the development of more competitive products and services markets, investment projects focused on the **development of the 10 competitive economic sectors**¹⁹ are funded by State Budget and 2014-2020 ESIF.

In order to *increase the competitiveness of SMEs* in competitive sectors mentioned in *the 2015-2020 National Competitiveness Strategy (SNC)* and the Regional development plans, through ROP, (P.I. 2.1 A), from the total budget of 1,056.5 million lei **investment projects of micro-enterprises in the urban area** are financed. Thus, by 18 March 2022, 2,839 financing contracts were signed, with an eligible value of 517.7 million euro (of which 353.8 million euro from FEDR), for which payments amounting to 268.3 million euro have been made.

To **support SMEs for the creation and expansion of advanced production capacities and services development**, through ROP - P.I. 2.2 A, *state aid and de minimis aid* are granted, by 18 March 2022, 1,458 projects were concluded with an eligible value of 1.567 billion euro (of which 869.2 million euro from ERDF), for which payments amounting to 558.3 million euro have been made.

Moreover, for providing **support for investments in developing the business incubators**, the total budget allocated through ROP (P.I. 2.1 B) is 529.4 million lei. Thus, by 18 March 2022, 39 financing contracts with an eligible value of 114.9 million euro were signed (of which 61.8 million euro from ERDF), for which payments amounting to 14.6 million euro have been made.

A number of projects are being implemented under **The Business Development, Innovation and SMEs Programme in Romania**, funded by the 2014-2021 EEA and Norwegian Grants (45 million euro), which aims to support the *launch of start-ups* in areas such as green innovation in industry, blue growth and ICT.

As of 5 October 2020, the project *Quality and Performance Management within the Ministry of*

¹⁹ The competitive sectors identified in the NSC are as follows: tourism and eco-tourism; textiles and leather goods; wood and furniture; creative industries; automotive industry and components; ITC; beverage and food processing; health and pharmaceuticals; energy and environmental management; bio-economy.

Economy for reducing the administrative burden and developing innovative SMEs (SIPOCA 716), with an implementation schedule of 36 months and a budget of 16.6 million lei is under implementation. The public procurements procedures according to the acquisition plan as well as other activities were conducted.

Elaborated through the project *Development of the institutional capacity of the Ministry of Economy*²⁰ and approved by the Inter-ministerial Committee for Competitiveness, the *Industrial Policy Document of Romania*²¹ sets out measures to improve the competitiveness of manufacturing sectors for growth and employment, in line with the *Government Programme* and SNC. According to this document, priority is given to the development of innovative enterprises, clusters, but also to the application of the state aid rules accordingly, in order for the industry to be able capitalize the best available technologies.

The elaboration of the Economic Atlas of Romania/AEC with the related hardware and software infrastructure, is among the objectives of the above-mentioned project.

The public procurement procedure regarding the elaboration and implementation of AEC was completed in March 2021. The (estimated) AEC value is over 50%²² of the total value of the project.

The completion of the SNC 2021-2027 and the beginning of its implementation, the elaboration of monitoring methodologies of the SNC 2015-2020 and 2021-2027, and the extension of the accessibility of the data supplied by AEC to the external environment are envisaged for 2022.

Moreover, the project *Increasing the administrative capacity of the Ministry of Economy to monitor, evaluate and coordinate public policies in the field of economic competitiveness*²³ aims to strengthen the capacity of the ministry to implement and evaluate the public strategies/policies under its coordination. Thus, the objectives of the project are referring to: making available to MEc the necessary tools for the elaboration, implementation and monitoring of the SNC 2021-2027; extending the scope of application of the AEC to users from outside MEc; developing the competencies of the ministry's employees in the field of public policies. In the period June - July 2021, by organizing and conducting the course on *Public policies in the field of stimulating economic competitiveness*, 200 employees of MEc and its subordinated and coordinated bodies or placed under the authority of MEc improved their skills.

Under this project, a section of the SNC on finding and proposing a set of actions in order to ensure the management of the industrial transition (enabling condition within the Policy Objective 1 - *A smarter Europe by promoting innovative and smart economic transformation*) was elaborated.

Regarding the **microelectronics industry**, investments will be implemented mainly by participation or association in an **important project of common European interest** (IPCEI ME), in which 19 MS (including Romania) have expressed their intention to take part.

With respect to the **circular economy**, the Romanian Government will create a strategic legal framework for the transition to the circular economy by adopting the *National Strategy for the Circular Economy* and the related action plan. The strategic documents are under elaboration and will be finalized with the support *Technical Support Instrument/TSI* of the EC, through a project of SGG-DDD, MMAP and MEc. The proposed measures for **ensuring Romania's transition from a linear to a circular economy** aim at: **1. New waste recycling technologies, as well as research, development and testing of new products; 2. Atypical waste collection and repair centres; 3. Revaluation of secondary raw material and green procurement by creating a national digital platform** so that, through this national system of linking industrial producers, the waste of one industry becomes the raw material for another industry; inclusion in the economic circuit of all

²⁰ Code SIPOCA 7

²¹ Document available online on MEAT website at: <http://www.economie.gov.ro/proiectul-dezvoltarea-capacitatii-institutionale-a-ministerului-economiei-cod-sipoca-7>

²² 5,308,284.17 lei (VAT included)

²³ SIPOCA 605 -implementation period: 30 months as of 4 March 2019

available resources in the economy and closing the material loop - *Nothing is lost, everything is transformed*; 4. Instrumentation of the GHG emissions calculation and of the *National Strategy for the Circular Economy*.

Supporting SMEs

Supporting SMEs and investments, including those affected by the COVID-19 pandemic constitute the prioritised of the Government, which are transposed into various measures intended to be achieved including through the NRRP.

Along with the measures included in the NRRP, in order to support this sector, the implementation of some programmes continue and both amending the legal framework and providing new sources of financing are to be considered.

I. In order to *encourage and stimulate the development of SMEs*, one programme from those set up in this respect and carried out through the *National SME Guarantee and Credit Fund (FNGCMM)*, as the implementing body for the following programmes: the *Support Programme for Small and Medium-sized Enterprises Small and Medium Enterprises - SME INVEST ROMANIA* aimed at supporting the SMEs' access to financial capital. As regards *the AGRO IMM INVEST sub-programme*, according to the GEO No 142/2021, in addition to the FNGCMM, the Rural Credit Guarantee Fund (FGCR) was established, which operates as representative of the Romanian state in terms of granting state guarantees. The guarantee ceiling related to the *SME INVEST ROMANIA programme* for 2022 is 10 billion lei, of which 5 billion lei for the *AGRO IMM INVEST Sub-programme*.

Supplementary to the above-mentioned programmes, on 16 March 2022, *the GEO No 24/2022 on the approval and financing of guarantee programmes in priority areas for the Romanian economy* was adopted, the programmes²⁴ provided in this normative act being the following ones:

a) *SME PROD Programme*, which provides financing for production companies (SMEs, start-ups from urban areas). The total budget of the aid scheme is roughly 268.54 million lei with an estimated number of 2,550 beneficiaries is estimated and for the 2022 the approval of a total ceiling of guarantees of 1.5 billion lei under this programme is proposed.

b) *The RURAL INVEST programme*, which aims to ensure liquidity and financing for investments achieved by the eligible beneficiaries who locate their production in rural and small urban areas. The budget of the state aid scheme is 530.5 million lei, for an estimated number of 4,286 beneficiaries, and for 2022, the approval of a total ceiling of guarantees of 2.5 billion lei under the programme is proposed.

c) *The GARANT CONSTRUCT programme* designed for the projects on improving the energy efficiency and investments in the field of green energy and in alignment with the environmental objectives approached by both the SMEs operating in the construction sector and the territorial and administrative-divisions (TADs). For 2022, the approval of a total ceiling of guarantees of 2.5 billion lei that can be granted under this programme is proposed; for each of the two sub-programmes programmes (i.e. *Support sub-programme for investment projects for SMEs in the construction sector* and *Support sub-programme for small-scale investment projects for TADs*) is allocated the amount of 1.25 billion lei. The budget of the state aid scheme amounts to 495.5 million lei for an estimated number of 4,165 beneficiaries.

d) *The INNOVATION programme* aiming to support new inventions, and the export activities of SMEs performing in the fields of trade and services, with a turnover below 1 million euro, and which operates in the exporting and non-polluting industry. For 2022, a total ceiling of the guarantees of 1 billion lei that can be granted under this programme is proposed. The budget of the state aid scheme is roughly 214.5 million lei, for a number of 1,835 beneficiaries.

²⁴ State aid schemes are not yet operational. The national procedures in the field of state aid were initiated, being regulated by GEO No 77/2014

II. To increase SMEs' access to loans and guarantees, the implementation of the uncapped guarantee instrument developed under Priority Axis 15 of the ROP 2014-2020 The SME Initiative by offering a guarantee rate, with allocations from 2014-2020 ERDF (amounting to 250 million euro) has continued. By the end of the implementation period, approx. 6,250 SMEs will be supported by facilitating their access to credit and providing an average guarantee rate of 60% on the portfolio.

III. In order to ensure *the access of SMEs critically affected in the current economic context to a new financial instrument*, the GEO No 9 establishing budgetary measures to support the small and medium-sized enterprise sector was adopted on 16 February 2022. Thus, the legal framework for the implementation of the **Programme for accelerating the development of small and medium enterprises** was set up, the allocations deriving from the reimbursement of loans by the beneficiaries of the *Romanian-Swiss SME Programme*, financed by the Swiss contribution for period of 2014-2019.

IV. On 16 February 2022, GEO No 8 amending and supplementing the GEO No 130/2020 was adopted; this GEO laid the foundation of changing the COP by creating the Priority Axis 3, followed by the launching of the related state aid scheme - **Support for SMEs for overcoming the economic crisis triggered by the COVID-19 pandemic**. The normative act regulates the unblocking of the payments for beneficiaries of **Measure 2 - Working Capital Grant**. The State aid scheme also covers **Measure 1 - Microgrant**.

V. On 25 February 2022, a public consultation on *proposal of procedures for implementing the SMEs programmes* to be carried out this year was launched to improve the legal framework aiming at supporting SMEs. The first targeted programme is the third edition of **Start-Up Nation Romania** which foresees an allocation of 200,000 lei per project, the total budget for 2022 amounting to 520.03 million lei. The draft procedure for implementing this programme was published on 8 April 2022. This year edition aims to foster the entrepreneurship and creation of new jobs, with a focus on education, training, mentoring, and it will include mandatory eligible expenses, such as digitalisation vouchers.

VI. The resumption, as well as the implementation of some new programmes designed to support various sectors of the business environment, established under the Law no. 346 of 14 July 2004 on stimulating the establishment and development of small and medium-sized enterprises, is to be considered, financial allocations being provided for this purpose in the State Budget Law no. 317/2021 for 2022 as follows:

a) *The multi-annual National Programme of micro-industrialization* (the budget foreseen for 2022: 50 million lei). The measure will also ensure an up to 80% ceiling deduction of the costs needed for inventions, to cover the expenses with the registration and protection of inventions instead of the obligation of an effective implementation in Romania, and it will include mandatory eligible expenses, such as digitalisation vouchers.

b) *The Programme for developing trading activities of market products and services*. The measure aims to stimulate online commerce as well as digitalisation, including by issuing vouchers for this purpose (the budget foreseen for 2022:50 million lei).

These two programmes aforementioned were submitted to the public consultation on 31 March 2022.

c) *The national multi-annual programme for developing the entrepreneurship among women in the small and medium-sized enterprises sector* (the budget foreseen for 2022:157.6 million lei)

d) *The national multi-annual programme for establishing and developing technological and business incubators* will support the establishment of business incubators for students in universities, in collaboration with local partners, such as public authorities and companies (budget foreseen for 2022:5 million lei).

e) *The national multi-annual programme for supporting craftsmanship and artisanship* (the budget foreseen for 2022:1 million lei).

f) *The programme for organizing the small and medium enterprises fair (budget foreseen for 2022: 1 million lei).*

V. With the aim of **supporting HoReCa**, a new edition of this programme is to be launched. The state aid scheme regulated by the *GEO No 224/2020 on some measures for providing the financial support to enterprises in the field of tourism, accommodation, public food service and travel agencies, whose activity has been affected amid the COVID-19 pandemic and on some fiscal measures with subsequent amendments and completion* was completed. By 27 January 2022, 10,185 economic operators applied for financial support, of which 8,294 operators were selected, the value of contracts concluded amounting to 2.13 billion lei.

Supporting large companies and SMEs with a turnover exceeding 20 million lei

The programme established on 4 June 2020²⁵ for carrying out some measures to support eligible companies, through the Export-Import Bank of Romania "EximBank" was extended to mid-2022, the 4 billion lei budget of this scheme targeting an estimated number of 425 beneficiaries²⁶. Since the launch of this programme, EximBank has received over 500 applications from eligible companies, the total value of financing and guarantee facilities granted in 2021 amounting to 2.34 billion lei.

Supporting cultural and creative industries

The elaboration of the *2021-2027 Sectoral Strategy for Culture and Cultural Heritage* is envisaged as result of the project *The Strategic and coherent vision for the cultural sector*, with an implementation period of 28 months as from 1 January 2021.

As first deliverable of the project *Historical monuments - the strategic planning and improved public policies*, whose implementation started in July 2018, the *Code of Cultural Heritage* was finalized, and published for public consultation which ended on 11 April 2022.

Moreover, the elaboration of the *National Strategy on the protection of historical monuments²⁷* ended. The strategy was made available for public debate during February 2022.

Related to *the preservation of the cultural, scientific and educational heritage*, the implementation of the project *E-Culture: the Digital Library of Romania* (total financial allocation: 53 mil. lei, from which 43.6 mil. lei from ERDF) continues (a 78% technical progress achieved by 29 March 2022). Taking into consideration that the project completion term is 12 July 2022, and progress has been made in developing the *Culturalia.ro platform*, which will provide access to 560.640 cultural resources from 31 public cultural s, research and media institution from Romania, participating in the project.

As regards the *digitalisation of the cultural heritage*, so far 575,000 mobile cultural heritage items have been digitalised.

Implementation of projects for the *debureaucratisation and digitalisation of the cultural sector* continues. Thus, the implementation of the *E-heritage project*, complementary project to *E-Culture: Digital Library of Romania* is to be considered.

²⁵ By the approval of the *Memorandum on The inclusion of the Set of State aid and de minimis aid scheme measures as loans, credit guarantees, interest subsidies and guarantee premiums amid the COVID-19 pandemic for large companies and small and medium enterprises with a turnover exceeding 20 million lei, as well as the increase of financing, guarantee and in market conditions, and insurance in non-market conditions managed on behalf and account of the state by EximBank in economic, budgetary and financial policies of the Romanian State.*

²⁶ According to Norm No N3.12 of 10 December 2021 on EximBank Financing under the COVID-19 State Aid Scheme and according to Norm No N3.13 of 10 December 2021 "EximBank guarantees within the COVID-19 state aid scheme" (NI-GAR-14-IV/ 0), published in the OJ No 8 of 4 January 2022, and in the OJ No 43 of 14 January 2022

²⁷ www.umpcultura.ro/monumente-istorice_doc_982_strategia-nationala-privind-protejarea-monumentelor-istorice_pg_0.htm

To increase the access to culture, promote cultural diversity and strengthen intercultural dialogue, the RO-CULTURE Programme is ongoing. so far, within this project six calls for proposals were launched: one call for *innovative exhibitions of restored movable cultural property* (nine contracts signed); one call for the *restoration and revitalization of historical monuments* (ten contracts signed); three calls for proposals for *the consolidation of the cultural entrepreneurship and expanding of audience and public* (13 contracts signed following the first call and eleven following the second call), and one call for *supporting the cultural initiatives regarding Roma minority* - in which ten project applications will be financed.

In order to *revive the cultural sector* severely impacted by the COVID-19 pandemic, a *Minimis aid scheme for the independent cultural sector* designed to support 5,000 entities active in this domain was launched and submitted to the public debate on 9 March 2022. The total available budget is 140 million lei (i.e. approx. 28 million euro).

Restoration, preservation and capitalization of the cultural heritage objectives are achieved by investments funded from 2014-2020 ERDF through ROP, with a total financial earmarking of 369.31 million euro (of which 312.58 million euro from ERDF). A total of 217 financing contracts were concluded with a non-refundable value of 509.32 million euro, from which 430.49 million euro from ERDF, for which payments of 283.96 million euro were made to beneficiaries.

In order to *support implementation of online cultural projects* amid COVID-19 pandemic, two editions of the *ACCES Online 2020 Programme* were launched aiming at supporting independent artist and cultural professionals who cannot engage in public cultural activities throughout the pandemic period. The budget of this programme is roughly 1 million lei, with an allocation of maximum 50,000 lei per project. The targeted cultural fields are the following: theatre, music, dance, visual arts and intangible cultural heritage. Within its *2020 edition*, 20 financing contracts were signed, amounting to 984,490 lei and within the *Access 2021 Programme*, 23 financing contracts were signed amounting to 997,950 lei.

Increasing the performances of public enterprises (PEs)

A matter of constant concern is pursuing the **implementation of corporate governance**, including through control actions. The 2020 annual report on the state-owned enterprises was approved and published on the MF website. Annex I to the report contains its conclusions, as well as on the results of the control actions conducted in 2020 and 2021 by the Directorate General for Economic and Financial Inspection (DGIEF) under the MF and by the territorial structures for economic and financial inspection under ANAF, having the objective of checking the compliance with the provisions of *GEO No 109/2011 on corporate governance of state-owned enterprises*. The control actions will continue throughout 2022.

According to *Law No 173/2020 on some measures for the protection of the national interests in the economic activity*, amended by GEO No 166/2020, the sale and transfer of state-owned shares held in national companies, credit institutions, and in any other companies in which the state is shareholder is forbidden regardless of the ownership share held, and any such ongoing actions are suspended for a period of two years. At the same time, the Law allows for the acquisition of participations by the state, with the observance of the provisions on state aid, competition and competitiveness. In the Government's meeting of 3 February 2021, the draft Law amending the *Law No 173/2020* was submitted for adoption in parliamentary procedure on 11 February 2021; the draft law proposes to repeal the provisions of art. 1-3 of the abovementioned law. After the approval by the Parliament, the analysis on the opportunity and necessity of promoting the draft *Law on the administration and capitalization of state participations* will be resumed.

The project *Simplification of the legislation in the field of mineral resources and state-owned companies*²⁸, financed by the ESF, was finalized in July 2021. The project had as objectives the **streamlining and systematization of the active fund of legislation on mineral resources and**

²⁸ SIPOCA code 388

state-owned enterprises in line with the *2014-2020 Better Regulation Strategy* and the **development of evidence-based public policies**. In this regard, two normative acts were published in the OJ *one for each field of intervention (non-energy mineral resources and state owned companies)*

With regard to the **improvement of performances of state-owned enterprises through the implementation of the professional management**, during 2021 MEAT/MEC started selection procedures and implemented some stages of the Selection Plan for the economic operators placed under its authority. Moreover, in 2021, the negotiations on the financial and non-financial performance indicators for the administrators of one of the companies from the portfolio were completed, thus finalizing the performance measurement tools established in order to determine the efficiency of the activity within the state-owned enterprises and increase its profitability.

State aid schemes for supporting investments

Concerning the state aid granted to **stimulate investments with a major impact in the economy** (GD No 807/2014), 142 grant agreements were issued during 2015 - March 2022, five of them being revoked. For the remaining *137 agreements*, a state aid of 956.96 million euro was approved, the payments made so far amounting to 385.57 million euro. 14 enterprises (out of the 137) are in the monitoring phase of maintaining the investment.

As for financing investments that contribute to **job creation and reducing regional disparities** (GD No 332/2014), during 2015-2021, 72 grant agreements were issued, of which 24 were revoked. For the maintained *48 agreements*, a state aid of 104.23 million euro was approved, the total payments made so far amounting to 26.71 million euro. 22 companies are presently in the monitoring phase of maintaining the investment.

The state aid schemes on sustainable economic development (GD No 1680/2008, where the authorities issued grant agreements for 38 enterprises and made payments totalling 338.44 million euro), **regional development by stimulating investment** (GD No 753/2008, where the authorities issued grant agreements for three companies and made payments totalling 70.94 million euro), **promoting regional development by using new technologies and creating jobs** (GD No 797/2012, where the authorities issued financing agreements for 14 companies and made payments totalling 99.33 million euro) **were closed** and the investments are in the monitoring phase.

Amid the economic crisis triggered by the pandemic, the authorities made and approved amendments in the legislation in order to **make mechanisms more flexible, both for paying state aid and monitoring investments**.

Between 2022 and 2023, MF will continue to support business environment through state aid measures in order to stimulate companies' contribution to reducing the economic gap between regions, both by stimulating investments in high-tech fixed assets for manufacturing high value-added products, as well as by creating jobs.

Other measures to improve the business environment

In order to provide support for **citizens and the business environment**, the Competition Council (CC) maintains two online platforms: a) the *Whistleblowing Platform* (by which either the facilitation of the dialogue between the authorities and whistle-blowers is ensured or the CC self-reports and initiates investigations; during 2021, the number of complaints increased to 160 from 124); b) the *Price Monitor Platform* (by which the consumers are able to verify the food and fuel prices).

In order to increasing the competitiveness of enterprises, based on OECD recommendations resulted from the completion of the project "The impact assessment of the regulations in force

*in three key sectors of the Romanian economy*²⁹ on the competitive environment, approx. one third of the OECD recommendations have been implemented (in whole or in part). The CC continues the dialogue with the institutions concerned by the OECD recommendations; a working party monitoring the related developments was set up.

As regards the *comprehensive redesign of the licencing system in Romania* aiming to streamline the licencing system and strengthen the institutional capacity of the authorities in charge with authorizing and harmonizing it in line with international best practices, a related TA project was implemented by the CC in partnership with OECD.

Streamlining the CC's investigative activity using specific Big Data tools was envisaged to be achieved by implementing the project *Optimizing the interaction with the business environment and implementation of the advanced data analytics and exchange mechanisms through the implementation of the e-governance system and Big data solution by the Competition Council*³⁰ which was finalized on 28 January 2022.

The Directive (EU) 2019/633 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain was transposed by the adoption of the related draft law (PL-x No 178/2022) by the Parliament on 14 March 2022.

The steps made on the completion of the amending and supplementing the *Law No 11/1991 on combating unfair competition*, as well as *the Competition Law No 21/1996* will continue.

In order to *improve the competition environment in Romania, the regulatory framework and the whole electricity market structure*, but also some segments of the gas market, the implementation of the project³¹ *Consolidating the internal market of the European Union by taking action on the energy and gas markets*, started in December 2021, with support of WB experts.

To increase accessibility of enterprises to services provided by public authorities to support SMSs throughout their lifecycle, the *simplification/ streamlining of procedures supporting SMEs/ enterprises throughout their lifecycle*³² continues, as follows:

a) **Streamlining the procedures for obtaining the building permit**, which will help to improve the capacity of local public authorities to provide authorization services: 1) the procedure regarding the elaboration, authorization and approval of the landscaping and urban planning documents; 2) procedure for obtaining the urbanism certificates, required opinions and agreements, as well as the building permits using via a *one-stop shop system*; 3) the procedure for facilitating the electronic exchange of information between the entities approving the urban planning documents, respectively the ministries or decentralized institutions, the economic operators managing the urban networks and the issuing authorities of the urban planning certificates and building permits; 4) the framework protocol for cooperation to operationalize the *online one-stop shop* for the local public administration authorities and endorsing entities.

The above-mentioned procedures are developed under the project *Streamlining the legislation in the area of spatial planning, urbanism and constructions as well as strengthening the administrative capacity of the specialized bodies of central public institutions in charge - SIPOCA 50*.

b) **Improving cadastral activity** - ANCPPI works towards increasing the quality of its services and completing the systematic registration with the *Integrated System of Cadastre and Land Book*

²⁹ Construction, agro & food processing and freight transport sectors

³⁰ Priority axis 2 of the COP supports to intervening to whole system from national level in the field of ICT to meet the needs of citizens and the business environment (Measure 2.3.1)

³¹ The value of the project is 600.000 euro, through the *Structural Reform Support Programme 2017-2020* (the forerunner of the current *Technical Support Instrument*).

³² The *2014-2020 Better Regulation Strategy*

(SICCF), by implementing both the *National Programme for Cadastre and Land Book 2015-2023* (PNCCF) and the major project *Improving the coverage and inclusion level of the registration system of real estates from Romania's rural areas* which was set up to respond to the PNCCF. This programme is implemented according to the GEO No 35/2016 regulating the allocation of funds for local authorities by the ANCPI to ensure financing/ co-financing of the systematic registration process of real estates, initiated by TADs. By 31 March 2022, the state of play of registration with SICCF was as follows: 19.296.860 real estate units (42,41%) out of the total 40 million estimated at national level; 11.099.550,32 ha of land were registered; 133 TADs with works of systematic registration of real estates finalized (of which the real estates from 123 TADs were fully registered and from 10 TADs were partially completed); 18,434 finalized cadastral sectors. At the same time, 604 people were employed and trained in this field of competence according to another objective of the project.

Out of the 660 rural TADs included in the major project for 336 TADs, the Framework agreements and Service contracts were concluded. The works of systematic registration of real estates were completed for 25 TADs (of which 15 TADs in full and 10 TADs partially), and for 296 TADs the works continue. A number of 291 TADs (from 297 TADs participating in the auction) are under evaluation procedure (following the publication in SEAP of Announcement no. CN1033469 / 03.08.2021) and 42 TADs will be subject of the procurement procedure.

The online payment services³³ through which the individuals and businesses can obtain the land book excerpt for information purposes, as well as the GNSS (Global Navigation Satellite System) real-time positioning services are still operational.

- c) **Business insolvency:** during 1 January - 31 December 2021, the number of insolvency proceedings opened increased by roughly 24.7 % as against the previous year. Between 1 January 2021 and 31 December 2021, the number of deregistered firms increased by roughly 29,36% as against the previous period.
- d) **Registration of enterprises:** The following platforms are kept operational: the ONRC online services portal; the online platform designed for the ONRC interconnection with the Trade Registers for EU member states (BRIS); Register of Real Beneficiaries, for legal entities subject to the obligation to register in the trade register. To facilitate the obtaining of real-time information on real beneficiaries by means of a single point, during Q3/2022, the interconnection of the ONRC with the Registers of Real Beneficiaries from other EU Member States is due to be accomplished (a functionality provided by the European e-Justice Portal by BRIS systems from the EU MS).

The measures presented in this chapter can contribute to the fulfilment of SDG 1, SDG 8, SDG 9, SDG 11, SDG 12 and SDG 13.

³³ <https://epay.ancpi.ro/epay/Welcome.action>

3.4.2 Transport

REFORM AND INVESTMENTS IN THE NRRP

Transport is another priority of NRRP. The reforms and investments included in the Plan aim to increase the sustainability of this sector by supporting the green and digital transition, and to develop a sustainable and environmentally friendly transport infrastructure, with adequate safety standards, which contributes to the completion of the trans-European transport networks (TEN-T). Thus, the transport sector is not only seen as a support pillar for other sectors, but as having a major contribution to economic resilience. Transport is addressed as a priority in Component 4 - Sustainable Transport, as well as in Component 10 - Local Fund.

The measures provided for in NRRP under Component 4 - Sustainable Transport aim, inter alia, at the implementation of a new taxation system based on the "polluter pays" principle and the principle of green taxation; the adoption of a law to encourage the use of clean vehicles and fleet renewal programme by domestic users, private companies and public institutions; scrapping 250,000 polluting vehicles; increasing the number of zero-emission vehicles; the installation, at national level, of 30,000 charging stations for electric vehicles; adoption of the National Road Safety Strategy; adoption of the Railway Infrastructure Development Strategy 2021-2025 and implementation of the action plan; adoption of the Naval Transport Strategy; modernization of railway infrastructure; development of the metro transport network in the Municipalities of Bucharest and Cluj-Napoca.

At the same time, Component 10 - Local Fund provides for measures such as: approval of legislation in the field of sustainable urban mobility, reducing the emissions of air pollutants, increase by 20% of the total annual volume of passengers using local public transport in 2026 compared to 2019, acquisition of 2,783 additional zero-emission vehicles; increase to 60% the share of travel in administrative-territorial units with local public transport services using zero-emission vehicles; intelligent transport systems and e-ticketing/ other ICT infrastructures; cycling routes at local/ metropolitan level (1,091 km).

By the end of Q1/2022, measures were implemented on:

- The adoption of the 2021-2025 Railway Infrastructure Development Strategy and the implementation of the action plan (Q4/2021);
- Entering into force of Law No 50/2021 approving GEO No 55/2016 on the reorganization of the National Company for Road Infrastructure Administration - S.A. (CNAIR) and the establishment of the National Road Investment Company - S.A. (CNIR) (Q2/2021).

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ Improving the administrative capacity and the strategic framework, and rendering the activity of the public enterprises in the transport sector more efficient
- ✓ Sustainable, modern and safe transport: road and rail transport, sustainable urban transport, air, naval and intermodal transport

Additional information available in Annex I regarding the CeSaR database.

The development of transport infrastructure is a priority of the government, the main objective being to ensure connectivity and accessibility to the main transport corridors. To recover the basic infrastructure deficit at national level, in line with the greening objectives of the transport sector set out in the European Green Deal and in accordance with CSR 2019 and 2020, investments are oriented on developing a modern, safe and sustainable infrastructure, the efforts focussing mainly on improving the preparation and accelerating the implementation of transport infrastructure investment projects for putting into practice the priorities established in the *General Transport Master Plan of Romania (GTMP)*³⁴.

Improving the administrative capacity and the strategic framework, and rendering the activity of the public enterprises in the transport sector more efficient

MTI (with the support of EIB - PASSA) elaborated the **2021-2030 Investment Plan (IP) for Transport Infrastructure Development**³⁵. The document aims to update the strategy for implementing GTMP, taking into account the socio-economic efficiency and the recalibration of investment objectives using a multi-criteria analysis (starting from finished and ongoing projects, identifying future needs and financing sources - NRRP, LIOP/ TOP, CEF and national budget).

IP covers the integral development needs of the transport infrastructure in Romania and provides: the need to build 6,624.1 km of road network (2,900.5 km related to core network and 3,723.6 km related to comprehensive network), and 4,502.8 km of railway (3,274.8 km related to core network and 1,228 km related to comprehensive network); development of new metro lines and extending existing ones; the capitalization of the Constanta Port and its connection with Europe through the TEN-T multimodal corridor Rhine - Danube (consisting of waterways, railways and highways network); development of airports to increase safety and security while ensuring climate neutrality; expanding investments for the development of multimodal terminals.

To improve the capacity to manage European funds and to prepare and implement transport infrastructure projects, the Agreement PASSA 2020-2023³⁶ is ongoing. Through this agreement, EIB experts supports MIPE, MTI and the beneficiaries of LIOP to implement the operational programme by providing TA for the preparation, evaluation, contracting and monitoring of transport investment projects.

MTI continues the efforts to streamline the activity of public enterprises (PEs) operating under its authority and to apply the corporate governance principles. To this end, the process of *selecting professional management*³⁷ continues. In 2021, several stages of the procedure for recruiting and selecting candidates for the vacant or temporarily occupied positions of administrators at 10 PEs were completed. In 2022, the procedure was launched for the procurement of services for the recruitment and selection of candidates to be appointed as members of the boards of directors to PEs (including autonomous public entities) to fill the vacancies. The procedure is ongoing and will be finalized with a framework-agreement. The purpose of the agreement is to hire independent experts specializing in the recruitment of human resources, and the deadline for fulfilling the obligations of the agreement is two years.

In 2022, the efforts for *restructuring/ streamlining TAROM's activity* continues (deadline 02/2024). To this end, the *Company's Restructuring Programme* includes measures for

³⁴ Approved by GD No 666/2016. The GTMP, as subsequently amended and supplemented, is the strategic tool for planning major interventions for the period 2016-2030, significant for the transport objectives at national level. The objectives of GTMP are applied based on the Implementation Strategy which establishes the prioritization of projects, the schedule, implementation period and financing sources for the projects.

³⁵ The document was approved by GD No 1312/2021.

³⁶ The Agreement PASSA amounting to 20 million euro is financed through TAOP.

³⁷ Recruitment and selection are carried out in compliance with the provisions of GEO No 109/2011 on Corporate Governance of Public Enterprises, approved by Law No 111/2016 and the principles of non-discrimination, equal treatment and transparency, as well as in compliance with GD No 722/2016.

streamlining the activity (such as fleet renewal, costs optimization and organizational efficiency) and it was notified to EC at 28 May 2021.

Other reform measures related to the performance of the main PEs (including joint stock companies - CNIR, CNAIR, CFR and Metrorex), and public transport authorities (ARF, AFER) are envisaged in NRRP.

Road transport

The **development of road transport** along the core and comprehensive TEN-T network will be achieved in a balanced and sustainable manner in all regions, with the aim of increasing mobility, making the economic development poles accessible and ensuring an environmentally friendly road transport network. The investments financed through LIOP³⁸ target the development of motorways, express roads, ring roads, national connection corridors, as well as with the neighbouring countries, and include the introduction of green and digital technologies: installation of recharging stations for electric vehicles (contributing to the development of alternative fuels infrastructure), application of ITS, the development of information systems for users and of transport systems interoperability etc. By the end of 2021, 174.741 km of new roads were built on the TEN-T network, 396.6 km of highways and express roads were in various stages of construction and other 2,375.77 km were in various stages of preparation.

In terms of **road safety and security on all modes of transport**³⁹, in 2022 will continue the implementation of the 12 contracted projects for the elimination of 95 road black spots and the signalling of 150 railway level crossings.

Within CEF, the projects *Europarking Secure Parking* and *Creating a network of connected safe and secure parking areas in Hungary and Romania (SecureNetwork)* are in implementation. The projects contribute both to the optimization and increase of road safety along the Rhine-Danube and Orient/ East-Mediterranean corridors of the TEN-T network, and to the improvement of social and safety conditions for drivers, by ensuring safe parking areas equipped with IT system for providing static and dynamic information on truck parking.

To **stimulate regional mobility**⁴⁰, regional and local investment projects are financed for the modernisation/ rehabilitation of the county road network located in the proximity of TEN-T. The implementation of the 129 projects contracted until 18 March 2022 will lead to the modernisation/ reconstruction of 4,250 km of county roads.

Rail transport

For the **development of railway infrastructure**, the investments financed under LIOP⁴¹ focus on the modernisation of railway infrastructure located on core and comprehensive TEN-T network, including railway stations, and the purchase of ERTMS. The length of the renovated/ modernized railway lines, respectively equipped with the ERTMS system, included in the large infrastructure projects approved by EC is of 314.47 km.

Under CEF, rehabilitation works for 112 km of railway lines (Brasov - Sighisoara) have started and

³⁸ LIOP, PA 1 Improving mobility through the development of the TEN-T network and metro system: SO 1.1 - Increasing mobility through the development of road transport on TEN-T core network; PA 2 - Development of a multimodal, high-quality, sustainable and efficient transport system: SO 2.1 - Increasing mobility on TEN-T network and SO 2.2 - Increasing accessibility for regions with low connectivity to TEN-T road infrastructure

³⁹ LIOP, PA 2 Development of a multimodal, high quality, sustainable and efficient transport system: SO 2.5 - Increasing the safety and security in all modes of transport and reducing the environmental impact of transport

⁴⁰ ROP, Investment Priority 6.1 - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multi-modal nodes

⁴¹ LIOP, PA 1 Improving mobility through the development of the TEN-T network and metro system: SO 1.2 - Increasing mobility on the TEN-T core railway network; PA 2 Development of a multimodal, high-quality, sustainable and efficient transport system: SO 2.7 - Increasing sustainability and quality of rail transport.

contracts were signed for financing the feasibility studies related to the railway line sections Bucharest-Craiova, Coslariu-Cluj Napoca and Apahida-Suceava and the modernisation of the railway lines and installations in the Bucharest Railway Complex.

By the end of 2021, the National Railway Company CFR S.A. was having in implementation stage 37 contracts for the development of feasibility studies, funded through LIOP and CEF programmes. The objectives of these projects consist in the modernization/ rehabilitation of 1,781.39 km of railway lines, 48 railway stations, bridges, canals and tunnels (phase II).

The **procurement of rolling stock** aims to increase the attractiveness of passenger transport by rail and to capitalize on modernized or renewed railway corridors. In February 2022, the tenders for lot 1 (purchase of 62 regional electric frames RE-R) and lot 2 (purchase of 37 interregional electric frames RE-IR) were in different deployment stages and the documentation for the purchase of 11 electric frames with alternative traction (on Hydrogen) was under preparation stage, with financing from LIOP 2014-2020/TOP 2021-2027.

Sustainable urban transport

The **development of metro infrastructure** contributes to increasing green urban mobility. For the following period, the investment priorities financed from LIOP⁴² target the projects that are in implementation or in preparation: *Metro line M5 - Section 2 Eroilor-Piata Iancului; Metro line M6 - Section 1 Mai-Tokyo and Section 2 Tokyo-Otopeni; Accessibility of metro stations in operation for the visually impaired.* As regards the procurement of rolling stock, the documentation for the purchase of 50 trains is in preparation, and for the financing period 2021-2027, the implementation of the metropolitan train concept is being considered.

For the **development of sustainable urban mobility, both in small and medium-sized cities, as well as in county seat municipalities**⁴³, projects aimed at reducing dependency on the use of cars by developing an attractive and efficient public transport system and by stimulating cycling, walking, or using non-polluting cars are financed. By 18 March 2022, 304 projects were contracted for the development of an attractive and efficient passenger public transport system, by creating/ modernizing/ expanding a coherent network of bike lanes/ trails, but also by creating/ modernizing pedestrian or predominantly pedestrian routes/ spaces, and by purchasing electric and non-motorized public transport means which can be equipped with software and equipment related to integrated passenger ticketing systems (e-tickets or e-ticketing) and intelligent management transport systems (ITS).

Naval and intermodal transport

The **development of naval and intermodal transport** targets the capitalization of the potential offered by the Danube, the river transport, the development of commercial ports on Danube and the transformation of the Constanta Port into a regional leader. With financing from LIOP⁴⁴, works are ongoing for modernizing nine ports (i.e. Constanta, Tulcea, Braila, Galati, Medgidia, Ovidiu, Giurgiu, Calafat and Isaccea - non TEN-T), projects for the non-TEN-T ports of Corabia and Luminita are in an advanced stage of preparation, and 36 km of shore defences on Sulina Channel, and two intermodal terminals will be developed. For the multiannual financial framework 2021-2027, the development/ modernization of the Danube and maritime ports will also include the

⁴² LIOP, PA 1 Improving mobility through the development of the TEN-T network and metro transport: SO 1.4 - Increasing the use of metro transport in Bucharest - Ilfov

⁴³ ROP, PA 3 Supporting the transition to a low carbon economy, IP 3.2 - Reducing carbon emissions in urban areas based on Sustainable Urban Mobility Plans and PA 4 - Supporting sustainable urban development, IP 4.1. - Reducing carbon emissions in county-based municipalities through investments based on sustainable urban mobility plans

⁴⁴ LIOP, PA 1 Improving mobility through the development of the TEN-T network and metro transport: SO 1.3 - Increasing the use of waterways and ports on the TEN-T core network and PA 2 - Development of a multimodal, high-quality, sustainable and efficient transport system: SO 2.4 - Increasing the cargo volume passing through intermodal terminals and ports

installation of alternative fuels infrastructure.

Within CEF, two contracts for feasibility studies were signed (one for the construction of a trimodal terminal in Drobeta-Turnu Severin Port and other related to the project *EALING - European flagship Action for cold ironing in ports* aiming to accelerate the transition to electrification in seaports), and three projects (i.e. *Fast Danube - Improving the navigation conditions on the Romanian - Bulgarian common sector of the Danube*, *SWIM-SMART* and *Protect - Upgrade of infrastructure and environmental protection in Constanta Port*) will be finalised by the end of 2022.

Air transport

In short and medium term, further **development of airport infrastructure** is envisaged, in particular to counteract the negative effects on air transport triggered by the COVID-19 pandemic and for the "greening" of the airports (equipment, vehicles and airport infrastructure). Through LIOP⁴⁵, the implementation of the 19 projects contracted continues, three airports being modernised by the end of 2021. Romania participates in the project *SESAR Deployment Programme implementation 2019 - IOP Foundation* (financed under CEF) which aims to streamline and modernize air navigation services.

Other measures envisaged to ensure a sustainable airport infrastructure relate to the implementation of the *Strategic Programme for the Development of the Airport Infrastructure at Bucharest Henri Coanda International Airport/ AIHCB* and to reducing the impact of civil aviation on the environment (maintaining the ACA⁴⁶ accreditations for Bucharest Otopeni International Airport - Henri Coanda/ AIHCB, Bucharest Baneasa International Airport - Aurel Vlaicu/ AIBB-AV and Cluj International Airport Avram Iancu; carrying on with the renewal of TAROM's fleet).

Additional measures on sustainable transport (e.g. the promotion of less polluting vehicles and the installation of alternative fuel infrastructure), funded from the Environment Fund, are also available in sub-chapter 3.2.1 *Environment and climate change*.

The measures presented in this sub-chapter can contribute to the fulfilment of SDG 9 and SDG 11.

⁴⁵ LIOP, PA 2 Development of a multimodal, high quality, sustainable and efficient transport system: SO 2.3 - *Increasing the sustainable use of airports*

⁴⁶ Airport CO₂ Accreditation Standard (Air Carbon Accreditation)

3.4.3 Research, Development and Innovation (RDI)

REFORMS AND INVESTMENTS IN THE NRRP

Research, development and innovation is addressed in Component 9 of NRRP.

The reforms address the fragmentation and ineffectiveness of the RDI system and promote the cooperation with the private sector, for example, by clarifying and streamlining the governance of the RDI system in Romania (Reform 2) and by legislative reform aimed at simplifying the cooperation between the business environment and the public research one (Reform 4).

In particular, reforms under this component are expected to ensure a harmonized design and implementation, monitoring and evaluation of RDI policy at the inter-ministerial and interagency level, attract researchers, encourage the creation of public-private partnerships in RDI and increase the share of research organizations which use in common the research infrastructures in Romania.

By the end of the Q1/2022, measures were implemented for the establishment and operationalization of the Policy Support Facility (PSF) Reform Unit (Q4/2021).

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ Improving administrative capacity and legislative framework related to the national research and innovation system
- ✓ Developing the RDI system: human resources, open science, competitive research organisations, R&D infrastructures, European and international collaboration
- ✓ Stimulating public-private cooperation for innovation

Additional information available in Annex I regarding the CeSaR database.

Improving administrative capacity and legislative framework related to the national research and innovation system

The measures needed to fulfil the enable condition for the RDI field for the period 2021-2027 "Good governance of the national/ regional smart specialization strategy"⁴⁷ are to be fulfilled through the project SIPOCA 592 - *Increasing the capacity of the RDI system to respond to global challenges. Enhancing anticipatory capacity to develop evidence-based public policies*⁴⁸. The project has inter alia the following objectives: the elaboration of the *National Strategy for Research, Innovation and Smart Specialization (NSRISS) 2021-2027*, the elaboration of the *National Plan for Research, Development and Innovation (NPRDI) 2022-2027*, the development of an integrated platform for monitoring and evaluation of NSRISS and its interconnection with other platforms relevant for the RDI field, including the platform dedicated to institutional funding whose interface is being developed with new modules through this project.

⁴⁷ Measures under the responsibility of MCID with the exception of "industrial transition management" which is placed under the responsibility of MEC

⁴⁸ Project SIPOCA 592 carried out by MCID in partnership with UEFISCDI: implementation period May 2019 - February 2023, total value - 26.04 million lei (ESF and state budget)

Another specific objective of the project SIPOCA 592 is to revise the RDI legislation related to the developed strategic framework. As a result of the elaboration and approval through normative act of the strategic framework document - NSRISS 2021-2027 and of its main implementation tool - NPRDI 2022-2027, the legislative framework related to the national research and innovation system will be improved.

Moreover, new measures for public research will be defined based on the results of the project SIPOCA 592, with reference to the **elaboration of the functional framework for open science**. In accordance with the targets and recommendations proposed by EC on the transition from “Open Access” (OA) to “Open Science” (OS), the following actions are envisaged: a) elaboration of thematic guides for OA, OS, “Open Research Data”, “citizen science”; b) elaboration of the methodology regarding the OA deposits; c) consultation with key entities on the strategic recommendation related to OS; d) collaboration with the “Open Science Knowledge Hub” and international experts for the organization of training and dissemination events, webinars for the exchange of good practices (exchange of experience) on specific topics; e) participation in the working parties of the EOSC Association (European Open Science Cloud) and in the implementation of their activities, as well as ensuring participation in working parties and related actions within other initiatives at both international level (Science Europe, OpenAIRE, CoNOSC) and national one (RO-NOSCI).

In order to ensure continuity in the funding of the national R&D system, including the Romanian participation in the EU Framework Program for Research - Horizon Europe, the implementation of measures financed from ERDF (COP and ROP) and the state budget continues (the implementation period of NPRDI III was extended until 30 June 2022, till the finalization of the strategic documents for the programming period 2021-2027).

Development of the RDI system

To facilitate the access of potential investors to well-trained human resources and collaboration opportunities, the aim is to **develop human resources for research and to create nuclei of competence for applied research, experimental development and innovation**. Through COP⁴⁹, projects led by researchers from abroad are financed, and NPRDI III⁵⁰ supports projects for post-doctoral research, for stimulating young independent research teams, mobility projects for young or experienced researchers from diaspora, for awarding the publication of ISI articles and the registration of patents to OSIM, EPO or USPTO. Also, HCOP provides **support for doctoral students (PhDs) and postdoctoral researchers**⁵¹, thus encouraging research activities with an application component carried out within the partner organizations (business partners, industry, research institutes etc.), as well as activities for the development of advanced research skills.

In 2022, the funding of projects for the **development of large R&D infrastructures**⁵² will continue, as well as for the **development of networks of R&D centres**⁵³ with the aim of modernizing and efficiently using the RDI infrastructures to facilitate open access with the effect of multiplying/spreading of the RDI knowledge and results in the economy, as well as increasing the degree of involvement and connection of Romanian researchers nationally and internationally. To further *ensure access to international scientific research literature*, on 1 April 2022, the competition for awarding the project "Access services to scientific and technical literature" was launched, with

⁴⁹ COP, Action 1.1.4 (Applicant Guide, section E) - *Attract high skilled researchers from abroad*

⁵⁰ NPRDI III, Programme 1 - Develop the national R&D system: Sub-programme 1.1. - *Human resources*

⁵¹ HCOP, PA 6: Education and skills, Thematic Objective 10, IP 10.iv, SO 6.13 - Increasing the number of university and non-university tertiary education graduates who find a job as a result of access to learning activities at a potential job/ research/ innovation, with a focus on potentially competitive economic sectors identified according to the National Strategy for Competitiveness and the areas of smart specialization according to NSRDI.

⁵² COP, Action 1.1.1 - Large R&D infrastructures (Applicant Guide, sections: A - Investments for R&D departments in enterprises; B - Innovative clusters and F - Investment projects for public R&D institutions/ universities)

⁵³ COP, Action 1.1.2 - Developing networks of R&D centres, nationally coordinated and linked with European and international profile networks and ensuring access to European and international scientific publications and databases

financing from NPRDI III.

For the *creation and development of the national infrastructure and the RDI capacity in the field of genomics*, MCID supports the implementation of GD No 693/24.06.2021 regarding the establishment, organization and functioning of the Institute for research and development in genomics. The project for the development of the R&D infrastructure is intended to be funded through the future operational programme for health and meets the objectives of the multiannual funding period 2021-2027. *Additional details are available in chapter 3.6 Health.*

In order to capitalize on the opportunities provided by the integration into the European Research Area (ERA), the implementation/ promotion of pan-European research infrastructure projects continues: *Light Infrastructure-Nuclear Physics (ELI-NP)*; *Advanced Lead Fast Reactor European Demonstrator (ALFRED)*; *International Centre of Advanced Studies for Rivers-Deltas-Seas DANUBIUS-RI*. In medium term, projects in the field of advanced technologies, such as artificial intelligence and hydrogen, are envisaged to be supported.

The **support of R&D in the field of agriculture and rural development** is achieved through the *Sectoral Plan for research and development in the field of agriculture and rural development, for the period 2019-2022 - "Agriculture and Rural Development - ADER 2022"*. Through ADER 2022, 111 projects for applied research and innovation specific to the agricultural field are being implemented. In order to improve the socio-economic development potential of the rural environment and, in particular, in the agri-food sector, the general objective is to increase the competitiveness of agri-food research at national level, by fulfilling two specific objectives: (1) improving R&D activity by ensuring the financing of projects included in ADER 2022 and promoting a smart, resilient and sustainable agricultural sector (including by disseminating the results of research obtained within the projects, on the MADR website); (2) the revalorisation of scientific research in the agricultural field in order to increase research performance.

Supporting European and international collaboration aims to increase Romanian participation in European and international RDI programmes and partnerships for better integration in ERA. The investments financed from COP⁵⁴ aim to create synergies with Horizon Europe Programme, and NPRDI III⁵⁵ supports the development of bilateral/ multilateral cooperation for RDI and RIS3 (e.g. RO-FR, RO-BE, ERA-NET/Cofund, *Eureka*, *Eurostars* and *Active and Assisted Living/AAL*, awarding participation in Horizon 2020).

Stimulating public-private cooperation for innovation and supporting innovation ecosystems

In order to increase the level of private investment in innovation, measures will be envisaged to encourage public-private collaboration, develop technology and knowledge transfer, as well as to support innovative entrepreneurship for ensuring a critical mass of innovative start-ups and creating a mature and functional innovative entrepreneurial ecosystem.

ERDF contributes to **stimulating the demand of enterprises for innovation**⁵⁶, by financing projects carried out by innovative enterprises (start-ups and spin-offs or newly created innovative enterprises), individually or in partnership with R&D institutes/ universities

The main purpose of **creating public-private partnerships for R&D and knowledge transfer** is to strengthen the link between the private and R&D environment in order to design, implement and test demonstrative models for new or significantly improved products/ services and to launch new products/ services on market. With financing from ERDF⁵⁷, the implementation of 38 partnership

⁵⁴ COP, PA 1, Action 1.1.3 - Creating synergies with RDI actions of Horizon 2020 and other international RDI programmes

⁵⁵ NPRDI III, Programme 3 - European and international cooperation, sub-programmes 3.1 - Bilateral/Multilateral, 3.2 - Horizon 2020, 3.5 - Other European and international initiatives and programmes and 3.6 - Support

⁵⁶ COP, Action 1.2.1 - Stimulating enterprises demand for innovation through RDI projects (Applicant Guide, sections C - *Projects of innovative start-ups or spin-offs* and D - *Projects of newly created innovative enterprises*)

⁵⁷ COP, Action 1.2.3 (Applicant Guide, section G) - *Knowledge Transfer Partnerships*

projects for knowledge transfer continues and 2,014 experimental-demonstrative projects and 303 projects for transfer to the economic operator were submitted for financing from NPRDI III⁵⁸.

Starting from the Strategic Research Agenda⁵⁹, **public procurement for innovation** aims to connect research and innovation activities with societal challenges and provide solutions to reduce the impact of challenges on citizens. NPRDI III⁶⁰ finances projects on R&D themes that meet the specific needs identified by central public authorities.

The development of the regional innovation ecosystem will be achieved primarily by **promoting technology transfer**⁶¹ and **increasing the degree of innovation in companies**⁶². To this end, projects for supporting innovation and technology transfer entities (ITT), scientific and technological parks and for the implementation of research results by SMEs in partnership with an ITT are financed. In 2022, the launching of two calls aiming to implement pilot schemes for testing/ creating/ developing the innovation market in Romania is envisaged.

To **increase the access of innovative SMEs to financing**⁶³, 59.3 million euro were allocated under COP for supporting innovative activities in smart specialization fields. Thus, SMEs can benefit from investments or loans through the Subsidized Interest Loan and Risk Sharing Instrument and the Venture Capital Instrument - the accelerator of entrepreneurship and seed-investments.

Additional measures that can help strengthen the link between the private sector (SMEs and industry) and the R&D and academic environment, by encouraging companies to innovate and/ or integrate new technologies (e.g. supporting SMEs to create and expand advanced production capacity, supporting the launch of start-ups in areas such as green innovation in industry, blue growth and ICT, implementing programmes for start-up companies, technological incubators, digitization) are available in [sub-chapter 3.4.1 Creating a favourable environment for public and private investments](#).

The measures presented in this sub-chapter can contribute to the fulfilment of SDG 2, SDG 3, SDG 9, SDG 13, and SDG 14.

⁵⁸ NPRDI III, Programme 2 - Increase Romanian economic competitiveness through RDI, sub-programme 2.1. - Competitiveness through research, development and innovation, Actions: 2.1.1. Innovation vouchers, 2.1.2. Project for knowledge transfer to the economic agent - Bridge Grant, 2.1.3. Experimental - demonstrative projects (concept demonstration), 2.1.4. Project for transfer to economic operator, 2.1.5 Cluster organisation and development - Innovative cluster

⁵⁹ In 2021, following an extensive consultation process, the six key areas for societal challenges were identified, namely: digitalisation, industry and space; climate, energy and mobility; food, bio-economy, natural resources, agriculture and the environment; health; culture, creativity and an inclusive society; civil security for society.

⁶⁰ NPRDI III, Programme 2 - Increase Romanian economic competitiveness through RDI, sub-programme 2.1. - Competitiveness through research, development and innovation, Action: Solutions

⁶¹ ROP, PA 1 - Promoting technology transfer: PI 1.1.A - Supporting innovation and technology transfer entities, IP 1.1.B - Supporting scientific and technological parks and IP 1.1.C - Investments for SMEs to for the application of research results in partnership with an ITT

⁶² ROP, PA 1 - Promoting technology transfer: IP 1.2 - Increasing innovation in companies by supporting multi-sectoral approaches resulting from the implementation of the "Lagging Regions Initiative" in Romania

⁶³ COP, PA 1, Action 1.2.2: Crediting instruments and venture capital measures in favour of innovative SMEs and research organizations responding to market demands. Implementing the *State aid and the Minimis scheme in form of venture capital investments* ((according to the MFE (MIPE) Order No 194/2018) is managed by EIF (as Fund of Funds).

3.5 Labour market, social inclusion and combating poverty

REFORMS AND INVESTMENTS IN THE NRRP

The social objective is a priority within the Pillar V of NRRP - Health, and economic, social and institutional resilience, through a dedicated component - Component 13 Social reforms. Moreover, the social aspects are addressed in Components 1, 4, 5, 7, 8, 10, 11, 12, 14 and 15 of NRRP, given that many of the reforms proposed for different areas have a social component.

Component 1 - Water management includes measures with the implementation timetable in Q1/2022 aiming both at strengthening the regulatory framework for the sustainable management of the water and wastewater sector, and at increasing population's access to quality services.

The construction sector is expected to support the economic growth and job creation through measures delivered under Components 4 and 5 - Sustainable Transport and Renovation Wave. Investments in residential buildings delivered under Component 5 will address not only issues related to the energy transition, but also the improvement of the life quality of the population. In addition, measures will be implemented in order to strengthen the professional capacity of construction professionals and workers through energy efficiency training courses.

Component 5 includes investments dedicated to the moderate energy renovation of multifamily residential buildings in communities at risk of poverty and social exclusion that meet the needs of marginalized communities to ensure the non-discriminatory access to decent housing. The operation addresses the territorial administrative units in rural and urban areas, with marginalized zones, i.e. zones with a population at risk of poverty and social exclusion. Measures are implemented to cushion the influences that generate poverty and social exclusion through the Local Development Strategies or Integrated Urban Development Strategies dedicated to these areas.

Component 7 - Digital transformation provides measures to increase digital skills and align the labour market to the latest developments in the sector

The implementation of Component 8 - Fiscal and pension reform will ensure the long-term sustainability of total gross public expenditure on pensions, by adopting a new law on the public pension system, thus rectifying the current inequities of the public pension system.

Component 10 - Local fund consists of measures to support vulnerable people and develop a sustainable economy.

The objective of Component 11 - Tourism and Culture is to increase the social, economic, and territorial cohesion and to create new jobs, especially in rural areas.

Through Component 12 - Health, the accessibility, quality, and coverage of the primary care will improve by establishing the performance-based funding, as well as revised payment mechanisms and incentives for primary care providers.

Component 13 - Social Reforms includes measures that improve the access of disadvantaged groups to the labour market, in particular through active policies, and through incentives to formalize work.

Component 14 - Increasing the capacity of civil society organizations to encourage active citizenship, professional involvement in planning and implementing public policies on social rights covered by NRRP and monitoring the related reforms aims at entering into force the social dialogue legislation. The legislation ensures a meaningful and timely social dialogue and collective bargaining, in line with ILO recommendations.

Component 15 - Education focuses on reducing regional and economic disparities by implementing several investment projects in areas such as education and early care, as well as combating early school leaving or improving infrastructure and equipment throughout the education system. Investments in the education system will stimulate the competitiveness of the Romanian economy, while preparing students for new technological challenges and opportunities and promoting social inclusion.

By the end of Q1/2022, measures were implemented on:

- Training/retraining of employees in companies (Q1/2022);
- Promoting 12 tourist/cultural routes (Q1/2022);
- Contractual technical assistance provided by a selected entity in accordance with national public procurement law (Q4/2021);
- Entering into force the amendments of the regulatory framework in order to ensure the sustainability of the second pension pillar (Q2/2022);
- Rendering operational/approving the Joint Action Plan of National Agency for Fiscal Administration and Labour Inspection for preventing and diminishing the phenomenon of labour evasion of under-declared/undeclared work (Q2/2022);
- Entering into force the legislation and implementing rules on the voucher system for domestic workers (Q1/2022);
- Establishing a national support scheme for energy-efficient and integrated renovation (seismic consolidation and energy efficiency) of multifamily residential buildings - Operation A.2 Moderate energy renovation of multifamily residential buildings in communities at risk of poverty and social exclusion (Q1/2022).

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ **Increasing the inclusive and equal access to quality and sustainable employment for the entire population able to work, focusing on disadvantaged groups**
- ✓ **Mitigating the impact of the crisis on employment through recovery and resilience measures in the labour market**
- ✓ **Adults participation in continuous training**
- ✓ **Strengthening the national social assistance system in order to ensure the access to efficient and quality social services for all categories of vulnerable people**
- ✓ **Continuing the reform of social assistance benefits based on the means testing**
- ✓ **Extending the social protection measures**
- ✓ **Improving the access to essential services**
- ✓ **Employment, social inclusion and local development in rural area**

Additional information available in Annex I regarding the CeSaR database, as well as in Annex III regarding the European Pillar of Social Rights.

The implemented measures or the foreseen ones address the challenges identified by the 2019 and 2020 CSRs, while pursuing the integration of principles of the European Pillar of Social Rights.

Increasing the inclusive and equal access to quality and sustainable employment for the entire population able to work, focusing on disadvantaged groups

Vulnerable groups facing challenges in participation in the labour market are offered tailored measures both through the **National Employment Programme (UIB)**, implemented by ANOFM, and through other initiatives dedicated to the **integration of jobseekers or inactive people in the labour market (ESF)**.

The measures (financed by ESF) that create employment opportunities accompany the reconversion of areas undergoing the transition to a climate-neutral economy. The implementation of (re)qualification measures, worker mobility, and tailored accompaniment services will enhance the employment opportunities of people at risk of exclusion from the labour market.

In order to strengthen the *Reinforced Youth Guarantee*, the maximum age for young NEETs has been extended to the age of 30⁶⁴. Young people are offered active employment measures, including apprenticeship and vocational training programmes, traineeships for higher graduates and job subsidies for employers, as well. In addition, managing the transition to the labour market is based on the services of identifying and providing tailored measures in accordance with the individual needs of young people.

In order to increase the social protection of workers, defining, tackling and sanctioning the under-declared work, and the redefinition of and sanctioning the undeclared work were regulated. There were created the favourable legal provisions for employees in order to be paid the social security contributions at the level of the real salary they received, if they are prejudiced⁶⁵.

Considering the current economic conditions, the improvement of the income adequacy will meet the requirements to ensure a decent living standard for employees. As for 1st January 2022, the minimum gross basic salary guaranteed in payment should be paid to an employee for maximum 24 months from the conclusion of the individual employment contract. After the termination of that period, s/he will be paid a basic salary higher than the minimum gross basic salary⁶⁶.

Mitigating the impact of the crisis on employment through recovery and resilience measures in the labour market

Overall, the crisis has led to a moderate decline in employment, which is explained by the adoption of measures to maintain jobs and prevent the unemployment increasing. During the temporary suspension of the individual employment contract or activity, **both the business environment and the employees, and other categories of persons earning an income were supported**⁶⁷. These measures consisted of an incentive (temporary layoff) amounting to 75% of the job-related salary, but not more than 75% of the average gross salary provided by the Social Insurance Budget Law. Professionals regulated by the Law No 287/2009 on the Civil Code, persons earning an income from copyrights and related rights, and persons who have concluded individual labour contracts as regulated by the Law No 1/2005 on organizing and functioning the cooperatives benefited by a monthly incentive of 75% of the average gross salary. In addition, an incentive of 75% of the gross salary related to the sport activity, but not more than 75% of the average gross earning, was paid to employees with a sports activity contract, provided that the contract was suspended at the

⁶⁴ GEO No 101/2021 on amending the Article 5 point IV⁴ of the Law No 76/2002 on unemployment insurance system and employment stimulation and on amending the Law No 416/2001 on minimum guaranteed income

⁶⁵ GEO No 117/2021 on amending the Law No 53/2003 - Labour Code

⁶⁶ GEO No 130/2021 on some fiscal and budgetary measures, postponing and amending some pieces of legislation

⁶⁷ GEO No 211/2020 on prolonging the application of some social protection measures adopted in the context of the spread of the SARS-CoV-2 coronavirus, as well as for amending GEO No 132/2020 on support measures for employees and employers in the context of the epidemiological situation caused by the spread of SARS-CoV-2 coronavirus, and to stimulate employment growth and GEO No 111/2021 on establishing social protection measures for employees and other professional categories in the context of the prohibition, suspension or limitation of economic activities caused by the epidemiological situation generated by the spread of the SARS-CoV-2 coronavirus

initiative of the sport structure.

Another measure to support the business environment consists of the **temporary reduction of the working hours**⁶⁸, caused by the enforcement of the state of emergency and alert, including for a period up to three months after the end of the last period by which the state of emergency and alert was enforced. The employees benefit by an incentive of 75% of the basic salary corresponding to the hours of reduction of the working schedule. The provision applies if the working schedule decreases by at most 80% of the daily/ weekly/ monthly period provided by the individual employment contract for at least five working days, within 30 calendar days, and it starts with the first day of the effective application of the measure.

In addition, in 2021, the **employment of certain categories of people was stimulated, including the unemployed over the age of 50 or the young people aged 16 - 29 years**, who lost their jobs or were unable to find employment and who are at risk of social exclusion caused by the loss of their income⁶⁹.

In addition, a **job-support measure has been adopted for employees whose employers, whose business has undergone the crisis in Ukraine, the Russian Federation, and Belarus**, suspended their individual employment contracts. The measure - temporary layoff - is funded through social security budget and granted until 31st December 2022⁷⁰.

Adults participation in continuous training

Job related training programmes (funded by ESF) are delivered, including the acquisition of digital skills. In order to correlate the labour demand and supply, new tools and mechanisms for monitoring and evaluating public policies and anticipating skills needs will be introduced⁷¹. These consist of the integrated mechanism for monitoring the insertion of the graduates of education and training programmes; interconnected mechanism for anticipating the need for skills and competences in the labour market; interconnected mechanism for evaluating and monitoring public policies on active and vocational training measures.

Strengthening the national social assistance system in order to ensure the access to efficient and quality social services for all categories of vulnerable people

According to the 2022 - 2027 National Strategy on Social Inclusion and Poverty Reduction and its Action Plan⁷², **Romania has undertaken to reduce the number of people at risk of poverty or social exclusion by at least 7% by 2027, compared to 2020**. Measures to tackle poverty, the right to social assistance, the access to services of general public interest, the opportunity of social and economic participation of vulnerable groups, the respect of human rights, and measures for the recovery and resilience of the social services system are provided. The State Budget and European funds provide financing. The approval of the Strategy achieves one of the ex-ante conditionality necessary for accessing the European funds of the 2021-2027 multiannual financial framework.

During 2022 - 2024, Programmes of National Interest (financed by the State Budget) dedicated to the **development of social services for elderly** - home care services, food delivery services, day care and recovery centres, and community-based social services - will be implemented⁷³. In

⁶⁸ GEO No 132/2020 on supporting measures for employees and employers against the epidemiological situation caused by the spread of SARS-CoV-2 coronavirus and to stimulate the employment

⁶⁹ GEO No 220/2020 on establishing active measures for employees and employers against the epidemiological situation caused by the spread of SARS-CoV-2 coronavirus and on amending some normative acts

⁷⁰ GEO No 36/2022 on establishing measures for the social protection of employees affected by the armed conflict in Ukraine as a consequence of international sanctions applied to the Russian Federation and Belarus

⁷¹ The project ReCONNECT Project - Adapting to Change - Integrated Mechanism for Labour Market and Education Anticipating, Monitoring, Assessing

⁷² GD No 440/2022 on approving the 2022-2027 National Strategy on Social Inclusion and Poverty Reduction

⁷³ GD No 435/2022 on approving some Programmes of National Interest dedicated to the development of social services for elder people

addition, funds are allocated through the State Budget, from the amounts deducted from VAT, to finance the operating expenses of elderly care houses located in counties, villages, cities, municipalities, districts of Bucharest and Bucharest municipality⁷⁴.

In 2022, the programme subsidizing the associations and foundations with legal personality, which establish and manage social assistance facilities in accordance with the Law No 34/1998 with subsequent amendments, continues.

Investments (ESF) are implemented in order to strengthen the public network of community-based social assistance⁷⁵, to deliver the integrated social, medical, and educational services⁷⁶, and to reduce poverty and integrate socially and economically the people from marginalized communities, including those with a Roma population. Moreover, other projects (funded by 2014-2021 EEA and Norwegian Grants) are implemented. These aim at improving Roma inclusion and empowerment, social inclusion of children and young people at risk, increasing the use of social services by disadvantaged groups, improving awareness of central and local government to implement the principles of good governance, and increasing the implementation of the recommendations issued by the European Court of Human Rights against Romania.

The National Plan of the Child Guarantee Implementation, whose development has already started, includes a large part of the measures provided by the 2021-2027 National Strategy for the Protection and Promotion of Children's Rights. The Strategy meets the broad guidelines of the Council Recommendation Establishing a European Child Guarantee

Ensuring a stable family environment, namely an adoptive family, for as many children as possible is one of the priorities of the special protection system. The **implementation of the Law No 273/2004 on the adoption procedure and the continuation of the activity of monitoring the adoption process and the case management** will lead to a significant increase of the number of adoptions, certified families, and adoptable children. Another priority is the transition from the institutionalized care to the community-based services, so that funds are allocated for **developing the foster care network**⁷⁷.

The National Support Programme for Children “Caring for Children”⁷⁸ provides the mechanism of prevention and multidisciplinary intervention for situations of abuse, neglect, exploitation, and any form of violence against children. Appropriate skills, unitary tools, and working procedures were delivered to the specialists who, in the exercise of their duties, interact with different categories of children. Starting with 5 January 2022, through the programme, the hot line 119 has been established and rendered operational at national level for the first time. The hot line ensures a unique channel for reporting these situations, and guides and supports all those who need such information.

The Government adopted the draft law regulating some **protection measures for people with intellectual, psychological, and social disabilities** on 10 December 2021. The law aims at bringing the legislation (Civil Code, Code of Civil Procedure and some provisions of special laws) in line with the Romanian Constitution, consistent with the Decision of the Constitutional Court No 601/2020 on the exception of unconstitutionality of the provisions of Article 164 para. (1) of the Law No 287/2009 on the Civil Code. The purpose is to re-establish the rules for protecting the individuals with intellectual, psychological, and social disabilities through the civil law, on modern grounds, based on international regulations and comparative law resources. The draft law regulates several legal instruments in order to cover the whole area of intellectual, psychological, and social disabilities, by introducing a support measure (assistance for concluding legal documents), which does not impair the beneficiary capacity. Moreover, other two measures concerning the restriction

⁷⁴ Law No 17/2000 republished with subsequent amendments

⁷⁵ The project Developing the social assistance system to fight poverty and social exclusion

⁷⁶ The project Creating and Implementing Integrated Community Services to Combat Poverty and Social Exclusion

⁷⁷ The project TEAM-UP: Progress in the quality of alternative childcare

⁷⁸ GEO No 105/2021 on approving and implementing the National Support Programme for Children - Caring for Children in relation to the COVID-19 pandemic

(proportional, gradual, time-limited and individualized) of the capacity to exercise and a private mechanism of protection (the mandate of protection) are regulated. The legislative approach has at its core the recipient of the support/ protection regime and emphasizes the respect for his/her dignity, rights and freedoms, will, needs and preferences, as well as the safeguarding of his/ her autonomy. The goal is to tackle the social exclusion and discrimination, and to encourage the active participation of protected persons in the civilian life, or their social and economic (re)integration with beneficial effects, including on their health state.

Legislative amendments have been adopted in order to encourage the **social and professional integration of people with disabilities**. Authorized sheltered units, established by the organizations of these persons, undertake sales and/or intermediation activities, provided that minimum 75% of the gained profit would be allocated to programmes for this purpose⁷⁹. Funding (ESF) is also allocated to increase the participation of disabled people in the labour market and in the society by creating a working environment tailored to their needs⁸⁰.

The process of restructuring the centres for people with disabilities carries on. The deadline for implementing the programmes (financed by the State Budget) for **deinstitutionalizing disabled adults and ensuring the transition of young disabled people from the special child protection system to the protection system for disabled adults** has been prolonged by the end of 2022. Several projects dedicated to the establishment of social services are under implementation. In addition, ERDF, through 2014-2020 ROP, finances investments aiming at **deinstitutionalizing children and establishing social services such as day centres and sheltered housing for disabled people**.

Continuing the reform of social assistance benefits based on the means testing

Amending the Law No 416/2001 on the **guaranteed minimum income (GMI)**⁸¹ will improve the labour market transition of people able to work. GMI granting is extended by six months provided that the beneficiaries are employed for at least 24 months. The beneficiaries have the opportunity to participate in the "Second Chance" education programmes. In order to stimulate the active behaviour in the labour market, the persons able to work have the responsibility to contact the employment agencies to benefit by measures that facilitate their employment, every six months or whenever required.

Starting with 2022, the **social reference index (SRI) value is updated annually with the average annual inflation rate of the previous year, ex officio, on 1st of March**⁸². The increase of SRI value will lead to changes in the amounts of social assistance benefits that currently report to SRI, including the social assistance benefit and family support allowance.

Extending the social protection measures

Increasing the child state allowance aims at ensuring their social protection. Starting with January 2022, the amount of the state allowance has been 600 Lei for children aged up to 2 years, or children aged up to 3 years, in the case of a disabled child. The amount is 243 lei for children aged 2 - 18 years and young people who reached the age of 18 years and attended high school or vocational education classes organized in accordance with the law, until their completion. The same amount is granted to disabled youths attending pre-university classes organized in accordance with the law, but no later than the age of 26 years. In the case of a disabled child aged

⁷⁹ Law No 81/2021 amending and supplementing the Law No 448/2006 on protection and promotion of the rights of persons with disabilities

⁸⁰ The project Facilitating the labour market insertion of disabled people

⁸¹ GEO No 101/2021 amending the Article 5 point IV⁴ of the Law No 76/2002 on unemployment insurance system and employment stimulation and amending the Law No 416/2001 on minimum guaranteed income

⁸² Law No 225/2021 amending and supplementing the Law No 76/2002 on unemployment insurance system and employment stimulation

3-18 years, the allowance is 600 lei. By January 2023, the child state allowance will be updated annually, ex officio, with the average annual inflation rate.

Starting with 1st January 2021, the programme granting the educational incentives to children enrolled in the preschool education system, and who are from disadvantaged backgrounds - families who have established the right to a family support allowance - was revised. The educational incentives are granted regardless the family was paid this right or it was suspended. The children are granted **educational incentives** (social voucher) amounting to 100 Lei per month for each child enrolled in kindergarten from the family entitled to the family support allowance⁸³.

Children living in families whose income is up to the minimum guaranteed income and who attend a form of public pre-school education and pupils enrolled in primary or secondary education (full-time classes) benefit by **e-vouchers for educational support**. The establishment of the National Support Scheme for the Most Disadvantaged Students⁸⁴ (funded by FEAD) will help to reduce the risk of extreme poverty among them.

The inflation increasing and rising the prices for goods and services has had a negative impact on the purchasing power of certain vulnerable groups. To reduce the risk of poverty and social exclusion, **adults and children with disabilities benefited by a compensatory indemnity** granted only once in January 2022⁸⁵.

Social protection measures have been adopted in order to afford an adequate level of income for the beneficiaries of the public pension system. Starting with 1 January 2022, the **pension point and the social allowance for retired persons increased**. The level of social allowance is 1,000 lei, and the value of the pension point increased to 1,586 lei⁸⁶. In addition, in order to reduce the risk of social exclusion for **retirees of the public pension system with pensions less than or equal to 1,600 lei, a financial aid was granted so that they benefit by an income of 2,200 Lei, in January 2022**⁸⁷.

FEAD also supports the **assistance delivered to disadvantaged people**, with food support and basic material assistance.

The economic and health crisis has worsened the social inequalities. Romania has recorded a worrying increase in the number of homeless people, so that the need for an urgent and effective answer to this issue has become obvious. During 2019 - 2021, MMSS implemented the project EVERY PERSON COUNTS! - Assessing the needs of homeless people and the impact of existing social services on their life quality (financed by ESF). The project provided an opportunity to analyse the specific problems of homeless people and to identify possible solutions to this phenomenon, through the stakeholders' contribution. Consequently, **a public policy proposal for the social inclusion of homeless people** has been developed. The proposal is subject to the public consultation.

As of with 1 March 2022, the value of the unemployment benefit increased due to Social Reference Index updating (i.e. 525.5 lei) with the average annual inflation rate from the previous year, according to Law No 225/2021 on amending and supplementing the Law No 76/2002 on unemployment insurance system and employment stimulation.

⁸³ Law No 49/2020 amending and supplementing the law No 248/2015 on stimulating the participation in the preschool education of children from disadvantaged families

⁸⁴ GEO No 133/2020 on some measures supporting the most disadvantaged students who benefit by e-vouchers for educational support granted from non-reimbursable external funds, and some measures for their distribution

⁸⁵ GEO No 126/2021 amending the Law No 61/1993 on the state allowance for children, and granting a compensatory allowance for the disabled people

⁸⁶ GEO No 125/2021 amending and supplementing the Law No 127/2019 on the public pension system, and amending and supplementing GEO No 6/2009 establishing the guaranteed minimum social pension

⁸⁷ GEO No 132/2021 granting a financial aid to the retirees of the public pension system in 2022, and amending para (10) of Article 7 of GEO No 43/2020 on the approval of the support measures funded under European funds, caused by the spread of COVID-19 coronavirus, during the state of emergency

Improving the access to essential services

Law No 226/2021 on establishing social protection measures for the vulnerable energy consumer provides support tools that help prevent and combat the energy poverty.

Rising prices in the international electricity and gas markets have led to the adoption of complementary measures to protect the population facing difficulties to pay these costs. During, **1 November 2021 - 31 March 2022, a compensation mechanism has been regulated** for the prices of electricity and natural gas paid by the household consumer⁸⁸. In the cold season, respectively a the period of five months during 1 November of the current year and 31 March the following year, **a reduced VAT rate of 5% is applied on the tax base for the delivery of thermal energy**⁸⁹ to the population and others categories of consumers⁹⁰. The Law No 286/2021 and Law No 287/2021 **reduced the VAT rate from 19% to 5% for deliveries of firewood** to individuals and legal entities or other entities, including schools, hospitals, medical dispensaries, and social assistance units. Pursuant to the analysis of the implementation of GEO No 118/2021, **household consumers were granted a unitary compensation** of no more than 0.291 lei/ kWh in the case of electricity, and no more than 40% of the value of the natural gas price component of the supply contract, during 1 February - 31 March 2022. Moreover, the **final billed price of electricity and natural gas was capped**⁹¹. During 1 April 2022 - 31 March 2023, the **final invoiced price for electricity and natural gas is temporarily capped** in order to ensure the social and economic protection of the household consumers⁹².

In order to provide a decent standard of living to vulnerable categories of the population, the State Budget finances programmes for the **construction of social housing** - social housing, emergency housing according to Law No 114/1996, and housing for young people for rental purposes.

Granting the access of population in remote areas and underdeveloped communities to essential services of quality and safety standards is another priority. The State Budget provides funds to the local public administration to develop the **basic infrastructure of water supply and water treatment plants, sewerage and wastewater treatment plants, roads/ access to roads and extension/ connection to natural gas systems**⁹³. The investments financed by the State Budget, through PNDL/ stage II (2017-2022), to build the **water supply and sewerage networks** continued.

Other investments such as energy efficiency of centralized supply, transport, and distribution systems, the introduction of smart systems in the energy sector, improving the energy performance of residential buildings, photovoltaic systems for remote households, water supply, and wastewater treatment infrastructure, sewerage are available in [chapter 3.2 Green transition](#).

Employment, social inclusion, and local development in the rural area

Investments (EAFRD) that support the **diversification of the local economy in rural areas** lead to the creation of new jobs through measures aiming at establishing non-agricultural businesses in

⁸⁸ GEO No 118/2021 establishing a compensation scheme for the consumption of electricity and natural gas for the 2021-2022 cold season and amending GEO No 27/1996 granting facilities to persons living or working in some localities in the Apuseni Mountains and in the "Danube Delta" Biosphere Reserve

⁸⁹ GEO No 130/2021 on some fiscal-budgetary measures, prolongation of certain deadlines, and amending some pieces of legislation

⁹⁰ Public and private hospitals defined by Law No 95/2006 and public and private educational units defined by the National Education Law No 1/2011; NGOs and places of worships regulated by Law No 489/2006; public and private providers of social services provided by the Nomenclature of social services, approved by GD No 867/2015

⁹¹ GEO No 3/2022 amending and supplementing GEO No 118/2021 establishing a compensation scheme for the consumption of electricity and natural gas for the 2021-2022 cold season, and amending GEO No 27/1996 on granting facilities to persons living or working in some localities in the Apuseni Mountains and in the "Danube Delta" Biosphere Reserve

⁹² GEO No 27/2022 on measures applicable to final customers in the electricity and natural gas market during 1 April 2022 - 31 March 2023 period, and on amending and supplementing some pieces of legislation in the field of energy

⁹³ GEO No 95/2021 on approving the "Anghel Saligny" National Investment Programme "Anghel Saligny"

rural areas and developing non-agricultural businesses by the existing enterprises/ farms. The implementation of measures to attract new generations of farmers - setting up young farmers - and to develop small farms to be better market-oriented and to provide increased income continues.

Disadvantaged rural communities benefit by ESF funding for **developing the social entrepreneurship**, thus creating employment opportunities and facilitating the vocational integration in social enterprises for the inactive people in these areas.

Stimulating investments in rural areas provides opportunities for developing the business environment and modernizing the local communities. RURAL INVEST programme, with a budget of around 530,583 million lei, finances investments in rural and small urban areas, encouraging the business development, and the creation of new jobs in these areas⁹⁴.

Financial support (EAFRD) has been channelled towards **building, upgrading and expanding all types of basic infrastructure** - kindergartens/ nurseries, water/ wastewater pipes, communal roads - contributing to the social and economic development of rural areas and the improvement of population access to essential services.

Rural communities received EAFRD funds both for **investing in cultural heritage objectives** (class B heritage buildings/ monuments, class B monastic sites, cultural centres), and for building, expanding and/ or modernizing roads to class B monastic sites.

Measures included in this chapter can contribute to the achievement of SDG 1, SDG 2, SDG 4, SDG 5, SDG 6, SDG 7, SDG 8, SDG 10, and SDG 11.

⁹⁴ GEO No 24/2002 on approving and financing guarantee programmes in priority areas for the Romanian economy

3.6 Health

REFORMS AND INVESTMENTS IN THE NRRP

Given that the field of health is constantly mentioned in the Country Reports of the EC, the entire NRRP component dedicated to this field responds mainly to CSRs on improving access to healthcare and cost-effectiveness of the health sector, such as and strengthening the resilience of the health system, including in terms of medical staff. The health field is addressed as a priority in the Dedicated Component - Component 12 - Health, but also in the Component 7 of the NRRP.

The Component 12 - Health includes measures to reduce the rate of avoidable mortality, diminish regional, social and rural-urban disparities in access to the basic medical services, increase access to quality healthcare, improve the hospital and pre-hospital infrastructure, and optimizing of the spending for healthcare and resource management. Moreover, under the Component 7 - Digital Transformation, a set of measures are envisaged for the healthcare sector on investing in the digitalisation of services and healthcare providers.

By the end of Q1/2022, measures were implemented for the elaboration of the Handbook of Integrated Community Centers, which represents the methodology for establishing and approving the operation of Integrated Community Centers, regardless of funding source, from the state budget, European funds or other special purposes funds.

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ Resilience of the health system, including containing the effects of the COVID-19 pandemic on the health system
- ✓ Increasing the access of people, including the vulnerable persons, to quality medical services
- ✓ Development of institutional capacity in the provision of safe medical services for patients
- ✓ Improving the efficiency and financial sustainability of the health system
- ✓ Modernizing the health infrastructure and healthcare network at regional level
- ✓ Reducing the morbidity and mortality from communicable and non-communicable diseases
- ✓ Digitalisation of the health system
- ✓ Improving the quality and efficiency of public services in the Romanian healthcare system by promoting public integrity and accountability in resource management

Additional information available in Annex I regarding the CeSaR database, as well as in Annex III regarding the European Pillar of Social Rights.

Among the priorities assumed in the Programme for Government 2021-2024 targeting the health field one mentions **increasing the accessibility and resilience of the health system by implementing the reform of this domain**. This priority will be supported both by investments financed from the Romanian NRRP, but also from the Operational Programme dedicated to the

health sector (newly created under the 2021-2027 Multiannual Financial Framework).

Since the beginning of 2020, actions to combat the effects of the COVID-19 pandemic on the health system have been taken. The implementation of reform measures has continued, focusing in particular on improving the access of people to quality medical services, the financial sustainability of the health system, upgrading of health and healthcare infrastructures at regional level, as well as the reduction of morbidity and mortality from communicable and non-communicable diseases. The stated measures, including those aiming at ensuring the resilience of the health system respond to CSRs requirements addressed to Romania for the health field and the integration of the principle related to this field, stated within the *European Pillar of Social Rights* is pursued.

In addition to the measures taken to contain the effects caused by the COVID-19 pandemic on the health system (*listed in Annex I regarding the CeSaR database*), testing at family physicians was extended in 2022; in early 2022, 4,000 family medicine practitioners and public or private testing centres running rapid testing were functional. In order to increase the access of patients infected with COVID-19 to medical services, 217 evaluation centres were established, as operational structures organized within health facilities equipped with beds, and which put the diagnosis and apply treatment of patients in the outpatient system, thus decreasing the number of hospitalized patients with COVID-19. At the same time, the monitoring of the health condition of patients with clinical manifestations suggestive for COVID-19 is carried out by family physicians in a contractual relationship with the health insurance companies.

Since 2021, the basic package of medical services provided in the social health insurance system has been extended by including medical services for patients with post-COVID-19 conditions. In order to support and maintain the activity of the medical staff at the level of public health care facilities, salary increases and granting of additional financial rights from the budget of the *Single National Health Social Insurance Fund (FNUASS)* were taken into account.

Moreover, in the 2020 and 2021, regulatory measures were adopted regarding the financing from FNUASS of activities aimed at increasing the capacity of providers under contractual relations with the social health insurance system to contribute to combating the effects of the SARS-CoV-2 spreading, but also to maintain their activity.

In that regard, the vaccination against COVID-19 is carried out not only in the vaccination centres, but also by the family physicians, as well as by the specialized physicians under a contractual relationship with the health insurance companies and who work within the providers of the outpatient clinic for clinical specialties (including the hospital's integrated outpatient clinic).

The Romanian institutions/ authorities involved in combating the pandemic were supported through EU funding by purchasing medical and protective equipment for the medical staff serving this equipment, as well as for the medical staff involved in treating the patients infected with coronavirus.

Following the approval by the EC, in 2021, of the Decision to amend the 2014-2020 LIOP, the amounts related to ERDF REACT-EU and amounting to approx. 484 million euro for 2021 were allocated under the new thematic objective *Supporting the mitigation of the crisis impact amid the COVID-19 pandemic and its social consequences, and preparing a green, digital and resilient recovery of the economy*. Moreover, on 24 February 2022, the EC approved the supplementation of ERDF REACT-EU funding by 216.17 million euro, the total allocation for PA 10 reaching 700.05 million euro. Thus, for the Specific Objective 10.1 targeting the protection of the health of the population in order to support mitigating the effects of the crisis and its social consequences, 283.88 million euro were allocated in 2021 and 216.17 million euro in 2022.

At the same time, approximately 130 framework agreements for the supply of medical products were concluded following the appointment of ONAC (centralized public procurement body) as body in charge with carrying out the award procedures for the conclusion of framework agreements to meet the needs of emergency medical supplies stocks i to strengthen the resilience of the health system in emergency situations.

Increasing the accessibility and resilience of the health system by implementing the related reform will be supported by investments financed from the NRRP, but also from the new operational programme dedicated to health sector. The two types of financial instruments will include measures that respond to the findings of the latest *Country Reports* addressed to Romania and aim mainly at developing a public health policy leading to an **increased access to prevention, early diagnosis and treatment services, reform of the public hospital healthcare in order to increase the safety and quality of the medical act, the reform of the management of public health insurance funds and health investment funds, investments for the construction of regional hospitals and for new hospital infrastructures with major territorial impact.**

A series of steps were initiated to elaborate a new strategy for the health field, related to the 2021-2027 programming period, for which the Master Plans for medical services for the NE, NW and SW regions were approved (by the Minister Orders No 746/2020, No 1686/2020 and No 2899/2021). The planning outlines the main reorganization and optimization strands of medical services at regional level⁹⁵, contributing to increasing the quality of the services provided and of the patient safety, but also at adapting the conditions of providing medical care to the state of play of the SARS-CoV2 pandemic. Health Service Master Plans, which have been debated by key stakeholders (i.e. local authorities, health insurance companies, hospitals, other health care providers, as well as by the general public) before approval thereof, allow for a substantiated support for the financing of the infrastructure projects, services and training from EU funds and the state budget.

In recent years, to **increase the access of individuals, including of vulnerable people, to quality medical services**, the implementation of public health/ screening programmes covering various topics continued, and the EEA and Norwegian grants for 2014-2021 contribute to improving policies and services for disease prevention, including improving access to health care services for vulnerable groups (as shown in Annex I on the CeSaR database). Several projects are implemented, such as the one on *strengthening the national network of primary healthcare providers* or the one on a partnership between MMSS, MS and MEd, *Setting up and implementation of integrated community services in order to combat poverty and social exclusion*, in 139 rural and small urban communities facing an above average and severe marginalization level. Throughout Q3/2018 and Q3/2021, 657,607 low and medium income retirees⁹⁶ benefited from outpatient medicines. The package of medical services provided to patients with aggravated post-COVID disorders has been extended and the access of insured persons to the paraclinical investigations in outpatient, necessary for the monitoring of patients diagnosed with COVID-19, as well as of patients diagnosed with cancer, diabetes, rare diseases, cardiovascular diseases, cerebrovascular diseases, neurological diseases has continued. Moreover, in order to provide quality and safe medical services for patients, two projects listed in Annex I on the CeSaR database are implemented. The MS also aims to develop, implement and fund the *National Plan to Combat Cancer* through an integrated approach conceived to fight this disease.

In order to **increase the institutional capacity for the safe provisioning of quality medical services for patients**, MS, together with MMPS, ANMCS, CNAS and Casa Sperantei Hospice Foundation implement the PAL-PLAN project titled *Increasing the institutional capacity for the coordinated national development of the palliative care and the home care*, scheduled between 2 March 2020 and 2 March 2023 (733 SIPOCA code/129439 MySMIS code). Two of the project deliverables consist in one national programme for the gradual development of the palliative care in the health care facilities with beds, at home and in outpatient, based on practices from countries with similar health care systems and one national programme for the gradual

⁹⁵ Expanding the competencies of family physicians for the care of children and the chronically ill, screening for various pathologies, developing the integrated community healthcare teams, building and operationalization of regional hospitals, and developing the regional network of integrated hospital care, redirecting the inpatient services to outpatient services, day hospitalization, recovery, palliation, long-term care etc.

⁹⁶ With an income of up to 990 lei/ month, respectively with income of up to 1,139 lei/ month as of 1 September 2019, and with income of up to 1,299 lei/ month as of 1 September 2020, respectively.

development of the home care.

Moreover, until September 2022, the MS implements the project *Development and introduction of systems and standards in the MS streamlining the decision-making on the vaccination in Romania-ROVAC*, financed under the 2014-2020 ACOP. The general objective of the project (with a total value of 21.9 million lei, of which reimbursable expenses of 18.4 million lei) is to strengthen the capacity of the public health system in implementing the national vaccination programmes.

In addition, through the implementation of *GD No 693/2021 on the establishment, organization and operation of the Institute for Research and Development in Genomics*⁹⁷, it is envisaged the creation of a national infrastructure in this field that will contribute to health promotion, disease prevention and the provision of quality healthcare for citizens, taking into account existing strategies in the fields of RDI, health and sustainable development.

In order to **improve the efficiency and financial sustainability of the health system**, in 2021, the share of expenditures for the medical services in outpatient was 17.84%, the highest percentage (8.56%) being granted to the primary healthcare, and in the 2020-2021 period, four updates of the list of medicines⁹⁸ were made, which included the reimbursement over 100 new international non-proprietary names related to various diseases.

In addition, through the intention to extend the mandate of the ONAC for the centralized procurement of medical products, the Romanian Government aims to make savings in the health sector. In that regard, the *Substantiation Note for the amendment and completion of GEO No 46/2018 on the establishment, organization and operation of ONAC and of GD No 119/2019 for the approval of the implementing regulation of the provisions of GEO No 46/2018 on the establishment, organization and operation of ONAC and for the amendment of Annex No 1 to GD No 502/2018*, as well as the *proposed legislative amendments* were submitted to the MF in January 2022 for the initiation of the amendment of the normative act. The MF started the approval process in February 2022.

In view of **modernizing the health infrastructure and healthcare network at regional level**, the MS builds three regional emergency hospitals (REHs). During 2020, the major project applications were approved by the EC, and the financing contracts for the three projects with a total value of 1.63 billion euro (from the 2014-2020 ROP, the 2021-2027 HOP and co-financing from the State Budget) were signed, in two phases. *Additional information on the construction of these hospitals is available in Annex I regarding the CeSaR database.*

In the case of the measures under the responsibility of MDLPA aimed at increasing access to outpatient medical services, until 18 March 2022, 177 project applications were submitted (under the 2014-2020 ROP) related to the infrastructure for outpatient clinics, with a non-reimbursable value of 365.14 million euro (143 projects with an eligible value of 322.19 million euro were contracted), and 69 projects on the Integrated Community Centres infrastructure, with a non-reimbursable value of 9.35 million euro (18 projects with a non-reimbursable value of 1.73 million euro were contracted). The implementation period of the project aimed at rehabilitating the county hospital in Tulcea (in the context of the ITI Danube Delta mechanism) is scheduled for 66 months (i.e. 1st July 2018 - 31 December 2023).

Over the period 2019-2021, in order to **reduce the morbidity and mortality from communicable and non-communicable diseases**, more than 35 national campaigns were unfolded to inform/train people, at the local level, in vulnerable communities, on various topics (including vaccination and identification of communities at risk of contracting Hepatitis A). Medical staff has been trained to detect and treat patients with chronic liver disease.

⁹⁷ Public institution with legal personality that carries out its activity subordinated to the "Carol Davila" University of Medicine and Pharmacy from Bucharest.

⁹⁸ Approved by the GD No 720/2008, with subsequent amendments and supplements

Digitalisation of the health system has continued after the publication of the GEO No 196/2020, regulating the field of telemedicine, with MS elaborating the Methodological Norms for the implementation thereof, which will be approved by the GD. Under the COP, two project applications were submitted by the MS to strengthen the integrated IT system in the field of e-health (including telemedicine). The implementation of the project *Information System for Health Records - RegInterMed* started in January 2021, and the implementation for the second project, *IT System for Clinical Records of AICU*⁹⁹, started in May 2021. Moreover, the project *Integrated Management System in the Social Health Insurance System*, financed under the ACOP is implemented at the level of the CNAS. The objective of this project is to develop an integrated management system to support continuous high-performance decision-making and evidence-based strategic planning to achieve institutional goals.

Steps to improve the quality and efficiency of public services in the Romanian healthcare system by promoting integrity and accountability within the management of resources have been taken. Thus, within CNAS, an integrated management system will be ensured through the project *Integrated Management System in the Social Health Insurance System (SIPOCA 729)*, with an implementation period of 36 months, the benefits of which aim at improving the control actions regarding the activities of service providers under contractual relations with health insurance companies. The solution to be implemented through this project will ensure the interoperability of the proposed system with other existing and future systems of the *Health Insurance IT Platform (PIAS)* by using common standards in the field¹⁰⁰.

Implementation of the measures in the health field will continue by **increasing the access of individuals, including vulnerable people, to quality medical services, developing the institutional capacity to provide such services, in safe conditions for patients, including by training the medical staff, improving the efficiency and financial sustainability of the health system**, another measure considered by the MS being the **elaboration of a new national strategy in the field** related to the multiannual financial framework 2021-2027; the draft strategy is published on the MS website.

The **modernization of the health and healthcare infrastructure at the regional level, the increase of the number of types of outpatient medical services, the digitalisation of the health system**, and other measures aiming at **reducing morbidity and mortality through communicable and non-communicable diseases**, such as funding and implementation by the MS of some public health communication programmes and campaigns in order to increase education in the field, but also to encourage the adoption of a healthy lifestyle will be pursued.

Measures presented in this chapter can contribute to the fulfilment of SDG 1, SDG 3, SDG 5, SDG 10 and SDG 11.

⁹⁹ Anesthesia and Intensive Care Units

¹⁰⁰ By extracting, analysing and archiving large volumes of sampled data, existing in the four computer systems that make up the PIAS and generating customized reports in order to perform analyses of different types or statistics.

3.7. Strengthening administrative capacity and other governmental measures

REFORMS AND INVESTMENTS IN THE NRRP

Strengthening administrative capacity is being addressed by the Components 5, 7, 10 and 14 of the NRRP.

Component 14 - *Good governance* includes measures meant to improve the decisional process, including decision making based on concrete data, long term planning and public consultations, the new national system of recruitment and promotion of civil servants, the new multi-annual recruitment planning system, the civil servants' remuneration reform, a new competency framework and a new competition methodology.

The key reforms under the Component 14 - *Good governance* are expected to ensure the independence of the judiciary, to improve its efficiency and quality, to intensify the fight against corruption, by adopting the national strategic framework for the prevention of this phenomenon and by strengthening the capacity of the competent anti-corruption institution and the recovery of loss/proceeds from committing crimes, as well as to consolidate the integrity of the public service, by ensuring an efficient system of declaring assets and interests and implementing at the same time the new anti-corruption strategy.

The Axis 2 *Investments in public buildings for green and resilient transition*, within Investment 1 *Establishment of a Renovation Wave fund to finance works to improve the energy efficiency of the existing building stock*, Component 5 - *Renovation Wave* establishes a national support scheme for renovation, aimed at ensuring energy efficiency and integrated renovation.

The Investment 16 *Advanced digital skills training programme for civil servants* within the Component 7 - *Digital transformation* aims to increase the advanced digital skills of civil servants. Also within this component, Investment 10 *Digital transformation in public service management* aims to operationalize two inter-operable platforms for reducing bureaucracy and increasing the quality of public services.

By the end of the Q1/2022, measures were implemented on:

- The entry into force of a GO on establishing the legal mandate of MIPE, MF and Audit Authority (Q4/2021);
- The entry into force of the legislative act for the approval of the new *National Anti-Corruption Strategy* (Q4/2021);
- The entry into force of the methodologies and procedures for improving the public policy reasoning and the administrative planning and simplification (Q1/2022);
- The entry into force of a legislative act to operationalize a structure for ensuring the implementation of an effective regulatory control quality mechanism (Q1/2022);
- The entry into force of the GD for approving the *Strategy for the development of the Judiciary 2022-2025* (Q1/2022);
- The entry into force of the *Law on the protection of whistle-blowers* (Q1/2022);
- The entry into force of the modification of the national legislation on remedies (Law No 101/2016) (Q1/2022).

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ **Increasing the absorption capacity of the European funds**
- ✓ **Resuming and strengthening the decentralization process**
- ✓ **Strengthening the culture of transparency and participatory governance**
- ✓ **Establishing a unitary legal framework for the central and local public administration**
- ✓ **Improving human resources management in the public administration**
- ✓ **Professionalizing the public administration personnel**
- ✓ **Better regulation**
- ✓ **Territorial development and the improvement of housing conditions**
- ✓ **Continuing the reform of the public procurement system**
- ✓ **Other actions to support the functioning of the administration**

Additional information available in Annex I regarding the CeSaR database.

The decision-making process and the effective Governing mechanisms, focusing on priorities, increasing quality and access to public services, the efficient and upright human resources, the transparency and the citizens' access to information, the administrative simplification, as well as encouraging the direct involvement of the civil society and the private sector in approving and prioritizing the de-bureaucratisation measures are among the general objectives of the *Programme for Government 2021-2024*, in the *public administration* field. The reforms in this area aim to promote both the principles of integrity and fairness, and the change of the administrative culture.

Increasing the absorption capacity of the European funds

Romania can benefit from a large volume of the European funds in the coming years, including under Cohesion Policy, complementary to the funds made available by the European Union through the NextGenerationEU in order to reach milestones and targets for reforms and investments to support the resilience, the level of preparedness for crisis situations, the adaptability capacity and the growth potential.

Thus, in addition to the implementation of the *National Recovery and Resilience Plan (NRRP)*, among the priorities included in the *Programme for Government 2021-2024* are both the **urgent and efficient management of the absorption of European funds in the multiannual financial framework (MFF) 2014-2020**, and implementation of the *Partnership Agreement* and the operational programmes (OP) related to the European funds from MFF 2021-2027.

During 2021, in order to **increase the absorption capacity of the ESIF and improve the management thereof as well as to maximise the impact of the use of funds made available to Romania by the EU**, measures were taken to accelerate the implementation of OPs financed from 2014-2020 MFF. The main measures aimed at increasing and streamlining the implementation capacity of projects already eligible for funding, accelerating the pace of project evaluation and contracting, as well as speeding up the launch/ relaunch of the latest calls for the remaining amounts, especially those dedicated to the health sector (including the strengthen the capacity to manage the health crisis caused by the COVID-19 pandemic), education sector, social investment, digital skills, increasing economic competitiveness and measures to combat the negative effects of the crisis generated by COVID-19. Other strands of action refer to ensuring transparency in the implementation of the European programmes and projects, application of

simplification measures, as well as supporting project beneficiaries and the SMEs through financial and territorial instruments.

In the context of *monitoring the implementation of the 2014-2020 ESIF programmes*, by the end of March 2022, 416 calls for proposals were opened with a total budget of over 28.6 billion euro, i.e. approx. 104% of total allocation available for implementation of the OP financed under the Cohesion Policy (LIOP, COP, TAOP, HCOP, ROP and ACOP). In addition, 12.875 projects were contracted with a total value of approximately 44 billion euro, the contracting rate reaching 150% of EU allocation, while the rate of the amounts received by Romania for those programmes (pre-financing and reimbursements) is about 54%.

With regard the signed contracts, the Managing Authorities (MAs) made total payments of 14.5 billion euro, out of which 12.7 billion euro represent EU contribution (52.7% of the EU allocation), as follows: LIOP (5.9 billion euro), COP (904 million euro), TAOP (222 million euro), HCOP (2.9 billion euro), ROP (4.32 billion euro), and ACOP (283 million euro).

By 30 March 2022, for the OP from the Cohesion Policy, an amount of 12.2 billion euro has been requested to the EC, representing 51% of the EU allocation, namely: LIOP (5.2 billion euro), COP (635 million euro), TAOP (233 million euro), HCOP (2.3 billion euro), ROP (3.5 billion euro), and ACOP (280 million euro).

Currently, the total amounts received from the EC, and representing pre-financing and reimbursements for the programmes funded from the ESIF (i.e. LIOP, COP, ROP, ACOP, TAOP, HCOP, RDNP and FMAOP) are roughly 20.4 billion euro, i.e. 58% of the EU allocation for those programmes.

Regarding the normative and procedural framework, the following specific ordinances were adopted: *GEO No 48/2021 for the amendment of GEO No 130/2020 on some measures for granting financial support from non-reimbursable external funds, related to OP Competitiveness 2014-2020, in the context of the crisis caused by COVID-19, as well as other measures in the field of European funds*, *GEO No 72/2021 for the amendment of GEO No 133/2020 on some measures to support the most disadvantaged students who benefit from educational support based on social vouchers on electronic support for educational support granted from non-reimbursable external funds, as well as some measures for their distribution*, *GD No 511/2021 for completing art. 40 para. (1) of the implementing regulation of the provisions of GEO No 40/2015 on the financial management of European funds for the 2014-2020 programming period, approved by GD No 93/2016*, as well as *GEO No 133/2021 on the financial management of European funds for the 2021-2027 programming period allocated to Romania from the ERDF, CF, ESF Plus, Just Transition Fund*.

In order to **ensure full transparency in the implementation of European programmes and projects**, on the websites of institutions involved in the management of European funds, relevant information concerning the Applicant Guides, both approved and those under public consultation, is published. By the end of March 2022, 426 applicant guides (both final versions and under public consultations) were published.

Moreover, the project *Support for development/optimising of some specific modules of the integrated electronic system SMIS2014+/MySMIS2014 - SMIS code 126444* funded by TAOP includes the section dedicated to real-time information of the wide public on the absorption stage of EU funds (available at: <https://www.fonduri-ue.ro/statistici>), having as data sources both the EC website, and the databases of the national electronic system SMIS2014+/MySMIS2014.

Starting with 2020, *six main measures have been taken to simplify the implementation process of European funded projects*, following the publication of GEO No 65/2020, GD No 485/2020 and GEO No 114/2020. In addition, legal provisions were established regarding the use by all MAs for programmes funded from ERDF and CF of all MySMIS functionalities in their relationship with the European funds applicants and beneficiaries, scrapping request for redundant documents at project submission stage for financing from ESIF and the increased use of risk assessment based sampling during the verification of the reimbursement requests. Also,

MIPE envisages to implement the interoperability between the electronic system SMIS/ MySMIS with tertiary applications (ONRC, SICAP, ANAF, MAI, CSM etc.)

The simplification process continued during 2021 by identifying the measures to simplify the public procurement process, so as to optimize the platform of the Electronic Public Procurement System (SEAP), the evaluation process and to create the appropriate legal framework for the legal security of the public procurement contracts:

- Collaboration Protocol No 358/04.02.2021 between MF, MIPE, MDLPA, MADR, MJ, ANAP, CNSC, ONAC;
- Proposals and measures to improve SEAP's technical facilities;
- Collaboration at the elaboration of *GEO No 3/2021 for the amendment and completion of some normative acts in the public procurement field.*

Measures to streamline the accessing and implementing Cohesion Policy funds will continue and aim for a better discipline in the preparation of the launch of project calls, increasing the standardization of requirements in the process of submitting applications for funding, streamlining the evaluation and selection process and using of the risk assessment-based verifications. Progress has been made on the extension of the use of simplified cost options. For those OPs where simplified cost options can be applied, the related documents are currently being drafted or in the *ex-ante* analysis stage by the Audit Authority.

The support for project beneficiaries financed from European funds continued by training 3,834 persons within the projects financed from the 2014-2020 TAOP. The training sessions approached topics such as: elaboration of applications for funding/ progress reports/ reimbursement requests, conflict of interests and incompatibilities, preventing irregularities and frauds, public procurement, enforcement of state aid legislation, project management, access to European funds, financial management, resources management, risk management, IT services and security management, processing of personal data, correlating interventions funded through various support programmes and increasing administrative capacity among beneficiaries in the public environment, lessons learned from previous programming exercises, problems encountered in project implementation and solutions found, funding opportunities and legislative developments with impact on investments to be financed at regional level in the period 2021-2027, and examples of types of interventions and good practices on the following topics: smart cities, energy efficiency, green infrastructures and clean and smart urban mobility, urban development, regional innovation strategies, and increasing administrative capacity of the beneficiaries.

The support granted to users of the IT system will continue, by provisioning training for 1,000 staff from European funds managing structures and also for additional 1,000 persons among the beneficiaries. The training sessions will address topics related to the use of the integrated IT system SMIS2014+/ MySMIS2014, through the project *Support for development/optimising of some specific modules of the integrated electronic system SMIS2014 +/ MySMIS2014, SMIS code 126444.*

During 2021, a series of measures were taken in order to implement the provisions of the Partnership Agreement 2014-2020 and TAOP 2014-2020, respectively to comply with the commitments assumed by the *National Reform Programmes 2018, 2019 and 2020*, in order to **ensure the access to consistent information and for the real support of the beneficiaries through a national information network**, managed by MIPE. Thus, considering the restrictions and opportunities generated by the pandemic context in terms of communication and public information activities, the *European Investment Information Center* project, SMIS code 120018, has been reconfigured in order to achieve efficient communication actions on the European funds topic. Thus, the Center is operational within MIPE, by internalizing the communication and carrying out the related actions with its own resources through specific tools provided in the project (e.g. *fonduri-ue.ro* portal, the Helpdesk application, events etc.). Moreover, in order to ensure the territorial coverage provided for in the Partnership Agreement 2014-2020, the project aims to interconnect the Helpdesk application (from *fonduri-ue.ro* portal) with the websites of

the 41 county councils, Bucharest Mayorality and the six sector mayoralties of Bucharest through a dedicated logo, so as to provide online information on the European funds topic. In that regard, as of March 2022, discussions have been initiated with the afore-mentioned institutions in order to conclude the related collaboration protocols.

Moreover, after it was recognized by both the general public and the specific one, the unique portal www.fonduri-ue.ro, launched in 2013 and provided for in the Partnership Agreement and TAOP 2014-2020, undergoes a process of restructuring/ development in order to align it with the provisions of Regulation (EU) 2021/1060 on information, communication and visibility of information on European funds in the 2021-2027 MFF for the Cohesion Policy. From early 2021 until March 2022, a number of over 297,450 users (of which 56% new users), and 1,044 unique applicants registered in the Helpdesk application (1,827 requests addressed) accessed www.fonduri-ue.ro portal, through integrated communication and information tools, to obtain data on the European funds allocated to Romania through the Cohesion Policy (list of operations, stage of absorption, available financing, calls etc.).

At the same time, open data from the section <https://www.fonduri-ue.ro/statistici>, integrated and reused by the EC within the project - www.kohesio.eu, contributes to the promotion of the results of the financing programmes managed by the Romanian national and regional authorities in collaboration with the EC under the EU Cohesion Policy framework. The project aims to create a database of projects and beneficiaries, co-financed by the EU, accessible to the general public through the use of open standards and open-source tools.

Setting of a portal to ensure information/ communication and consultation of relevant/ complementary information between the structures responsible for the management of European funded programmes and their beneficiaries is envisaged, through the project *enhancing the institutional capacity of the Ministry of European Funds through an integrated system of quality management*, SMIS code 129934.

The support for SMEs using financial and territorial instruments has continued with approximately 13,139 enterprises being supported by the HCOP and 88 by the COP. By the end of December 2021, 3,333 SMEs were granted financing under the *SME Initiative* (Uncapped Portfolio Guarantee Financial Instrument). In the case of the risk capital financed from the 2014-2020 ROP (P.I. 2.2), by late March 2022, the two selected intermediaries *Morphosis Capital* and *Black Sea* made nine investments worth 42 million euro, the allocation by sectors being as follows: 50% for health, 40% for production, and 10% for software.

Given the TA needs identified in early 2020 on ensuring local capacity in the **preparing technical and economic documentation for projects for the programming period 2021-2027 in strategic areas for Romania**, MA for TAOP launched two calls for projects, the target group being formed by RDAs from the less developed regions of Romania:

- One call dedicated to the preparation of infrastructure projects in the field of smart specialization, for which a transparent scheme of state aid and *de minimis* was established, financed from TAOP 2014-2020, approved by the Order of the Minister of European Funds No 894/03.08.2021, and amended based on the Order of the Minister of European Investments and Projects No 1293/17.11.2021 approving the extension of the implementation period of the aid scheme until 31.12.2022;
- One call dedicated to the preparation of infrastructure projects in five strategic areas: urban mobility, urban regeneration, road infrastructure of county interest (including bypasses and/or connecting roads), leisure centres/ tourist bases (school camps), and infrastructure and services tourism (including heritage sites with tourist potential).

Thus, 17 projects were contracted (one of which was terminated) receiving funding from TAOP 2014-2020 in order to prepare the portfolio of projects for the programming period 2021-2027. The main objective of these projects, with a total allocation of 67.34 million euro, is the elaboration of technical and economic documentation for around 249 investment projects in the above-mentioned fields, but also in the field of smart specialization.

In addition, in the second semester of 2020, the MA for TAOP also launched a call to support the eight RDAs in order to fulfil the responsibilities of the MAs for the 2021-2027 Regional OPs. Following this call, eight contracts were concluded, one for each development region.

Measures to prepare the access to the European funds from the 2021-2027 Multiannual Financial Framework, in particular those for Cohesion Policy were taken with the support of the 2020-2023 PASSA Agreement, providing support to the MIPE and relevant institutions for the fulfilment of the enabling conditions for the 2021-2027 programming period. The measures taken to prepare this programming period aimed at monitoring compliance with the enabling conditions, ensuring the partnership framework and the functioning of the Working Parties for the preparation of post-2020 programming documents and the completion of negotiations with the EC. During 2021, the Partnership Agreement and the OPs were updated based on the comments made by the specialized services of the EC, in order to create synergies and ensure complementarity with the priorities included in the NRRP, as well as to be in line with the related budget amount officially communicated by the EC. Based on existing self-assessments and strategic documents, the EC accepted that four favourable conditions were met (two horizontal and two thematic), namely the public procurement market, state aid rules, an effective disaster risk management framework, and biodiversity.

In order to ensure an effective response to the COVID-19 crisis, **the Romanian, through MIPE, supported through EU funding the efforts of Romanian institutions/ authorities involved in combating the pandemic**, both for procuring medical equipment/ protection for medical personnel involved in the treatment of patients infected with COVID-19, as well as in the development of new or significantly improved products/ technologies/ processes/ services to strengthen the response to the COVID-19 crisis, for production and commercialisation purposes. In addition, in order to strengthen the capacity to manage the health crisis, the capacity of MA LIOP was strengthened with TAOP funding in the evaluation of projects submitted under the new priority axis of the LIOP dedicated to this objective - PA 9 *Protecting the health of the population amid COVID-19 pandemic*, and PA 10, *SO 10.1 Supporting the mitigation of the effects of the crisis amid COVID-19 pandemic and its social consequences*, by hiring experts outside the organisation.

In addition to the measures provided for in the NRRP, the launch/ acceleration of calls for proposals dedicated to the health sector in particular (including for strengthening the capacity to manage the health crisis triggered by the COVID-19 pandemic), as well as the social investments, education, and digitalisation will be closely monitored in order to increase the absorption capacity of European funds, as well as to stimulate economic competitiveness and combat the negative effects of the crisis generated by the COVID-19.

Following the approval of Regulation (EU) 2020/2221 amending *Regulation (EU) No 1303/2013 on additional resources and implementing measures in order to provide assistance to help mitigate the effects of the crisis amid the COVID-19 pandemic and its social consequences and to prepare for a green, digital and resilient economic recovery (REACT-EU)*, modifications of the operational programmes, which will benefit of additional funding, have been approved by the EC.

Thus, regarding the REACT-EU allocation for Romania for 2021 amounting to 1,323,880,463 euro, the EC approved programmes amendments for LIOP, POC, POAD, and POCU. Regarding the allocation for 2022 amounting to 216,176,714 euro, the proposal to supplement the LOIM budget was approved by the EC Implementation Decision No 1256/24.02.2022.

The REACT-EU allocated budget mainly targets supporting the mitigation of crisis impact. Thus, the measures already implemented in the context of the COVID-19 pandemic, for which over-contracting was applied, have mostly continued, in order to be able to finance as many contracts as possible, both from the initial budget and from the REACT-EU additional resources. The eligibility period of expenses for 2014-2020 programming period ends in December 2023, including for additional amounts. At OPs level, actions are already being taken to implement interventions that will be funded through REACT-EU.

Regarding the preparation for the use of funds related to the programming period 2021-2027, by GD No 936/2020 and GEO No 122/2020, the institutional framework for the 16 OPs (of which eight regional OPs) was established by designating the authorities involved in the management and control systems. Compared to financial exercise 2014-2020, one of the main changes is the designation of the Regional Development Agencies as MAs for Regional OPs 2021-2027, as a part of the decentralization process of ERDF management, at regional level, and of MTI for Transport OP.

The GEO No 133/2021 was adopted in order to ensure the premises for the immediate start of the implementation of the programmes, after their approval by the EC. This normative act establishes the **financial flows for the management of the European funds allocated to Romania within the Cohesion Policy in the 2021-2027 MFF**. Based on the financial exercise 2014-2020 experience, the afore-mentioned normative act establishes all the necessary mechanisms for the flow of funds between managing authorities and beneficiaries, including specific aspects for the conduct of financial operations by RDAs as MAs for regional OPs during 2021-2027 programming period. In addition to the legislative framework, the draft normative act on the eligibility of expenditures for the 2021-2027 funds was drafted, it is under inter-institutional approval, and is to be submitted for approval by the government.

In order to go through the process of preparation and finalization of the management and control systems, the main necessary tools were made available to all structures designated as MA, such as: list of tasks detailed according to the new general regulation, list of procedures, self-assessment list for completion of the management system.

Resuming and strengthening the decentralization process

The **decentralization** of competences to the local public administration, based on a real analysis and on an extensive consultation process between the relevant public authorities, represents one of the specific objectives of the Government. According to the *Government Programme 2021-2024*, the decentralization process will be carried out in parallel with the improvement of administrative capacity at local level and will take into account, as main steps, *the analysis of the competences of the central public administration that can be transferred to the local administration and its capacity to manage the new competences, the correlation of the transfer of powers with that of budgetary resources, as well as the predictability, transparency, stability and depoliticization of the general system of transfers from the state budget*, in order to ensure sufficient resources to provide public services, support local economic development, and increase local financial autonomy.

MDLPA, as coordinator of the decentralization process, will intensify its efforts to achieve the objective of developing, by the ministries involved, quality and cost standards for decentralized public services.

Efforts for decentralization continued throughout 2021, even if the pandemics and the institutional changes imposed the postponement of deadlines for the measures circumscribed by the objectives set by the general strategy in this field. The developments in the implementation of this strategy were, moreover, highlighted in a half-yearly monitoring report prepared in late Q4/2021. With regard to the draft GDs for the approval of quality standards for decentralized public services for community utilities, they are to be promoted after the entry into force of *the GD for the organization and functioning of the Interministerial Technical Committee for Decentralization and working parties for decentralization* (draft under interministerial approval).

In order to support the substantiation and implementation of the decentralization policy, MDLPA aims to **monitor, periodically, the administrative capacity of the TADs and the exercise of decentralized competencies at their level**, including through the IT platform titled *Local administration services for you* ¹⁰¹.

¹⁰¹ SALT.GOV.RO, managed by MDLPA

Strengthening the culture of transparency and participative governance

To meet the goal of **transparency in public administration**, the Government will focus on making the administrative processes and procedures more transparent, by promoting the open data and information, ensuring the citizens' access to information.

During 2022, the actions of SGG will mainly aim at *standardizing the implementation of the policy in the field of the decisional transparency* (Law No 52/2003) and of the *access to information of public interest* (Law No 544/2001), *monitoring the 2020-2022 National Action Plan (PNA) of the Open Government Partnership (OGP)*, *developing the new 2022-2024 PNA*, including the implementation of the projects funded by the Technical Support Instrument and the Norwegian Mechanism, the programmes and the activities to support the capacity of the civil society to contribute to the public policy-making, but also to their implementation.

From this perspective, SGG will continue the **annual monitoring and periodic evaluation of the application of the Law No 52/2003** and the **compliance with the standards of the Law No 544/2001** and will support the institutions in order to put into practice these normative acts (e.g. information and training sessions for the representatives of the central and local public authorities, guidance and technical assistance).

As regards the **implementation of the commitments from the 2020-2022 PNA of PGD**, two monitoring rounds will be held and working groups with the civil society representatives, and thematic meetings will be also organized to promote the new trends in the open governance sector. For a set of commitments assumed under the 2020-2022 PNA, the implementation process will continue this year: it is the case of two pilot-projects aimed at *making the allocation of non-reimbursable financing from public funds transparent at the level of the ministries and the county councils according to the Law No 350/2005*, respectively *coordinating the management of the ministries and the county councils innovative processes in order to make the civil society participation in the decisions of the public administration more efficient*.

Another action aims at **elaborating the new 2022-2024 PNA of PGD**, in collaboration with the central and local administration, but also with the civil society. The approval of the Memorandum on this Plan is expected in Q3/2022.

To support the **involvement of the communities of expertise in the public decision-making process**, the emphasis will be placed on developing the capacity to identify and coordinate the Government strategies on the associative forms and increasing the capacity of the civil society to contribute to the public policy-making. Building the **dialogue framework with the civil society** remains at the core of concerns.

Through the CONECT¹⁰² platform, the **collaboration between the Public Administration and the Non-Governmental Sector** will be continued and encouraged; public consultations, meetings etc. with the associative environment will take place and tools will be developed to ensure the dialogue framework with the civil society. At the same time, establishing **partnerships between the Public Administration and Volunteers** is envisaged, by organizing the third edition¹⁰³ of the *Volunteer Promoters Programme*.

SGG will also continue to update the **single list/ register of the non-profit legal entities of public utility** and to support the initiating authorities in the activity of monitoring and evaluating the application of the provisions on the public utility status¹⁰⁴.

From the point of view of the **projects benefiting from external financing** (started in 2021), the EC Technical Support Instrument funds a project focused on *enhancing policy coherence, transparency and coordination at the Center of the Government*. In 2022, under this project, the

¹⁰² In 2021, the www.conect.gov.ro platform was expanded with new functionalities in order to develop the structures for the relationship with the associative environment at the ministries level and an information guide on the importance of RUTI was elaborated as well.

¹⁰³ It started in March 2022.

¹⁰⁴ GO No 26/2000 on the associations and foundations

civic space of Romania will be scanned and the Strategy to involve the civil society in the decision-making process, respectively the roadmap for its implementation will be elaborated. Through the Norwegian Financial Mechanism (MFN), SGG is carrying out (in partnership with MJ, ADR, and OECD) a project aiming at *building capacity in the field of the public governance*. The five components comprised in the project will provide an integrated strategic approach to the areas of *sustainable development, open governance, digitalisation, public integrity and public sector innovation*, designed to strengthen the capacity of the public sector in order to provide quality and transparent services, as well as to develop the effective public policies in these areas.

Establishing a unitary legal framework for the central and local public administration

The objective of establishing a **unitary, coherent legal framework for the central and local public administration** is approached in close correlation with the codification activity, and the approval of stable codes is likely to increase the citizens' confidence in the continuity and sustainability of the legal regulations.

This objective was met in the project *Systematizing legislation, monitoring and assessing tools in public administration* (SIPOCA 59, completed in April 2022), through activities aimed at **developing the draft Code of Administrative Procedure** (*the main developments in 2021 are available the Annex I, CeSaR*). The technical version of the draft Code will be finalized by Q2/2022 and it will emphasize, as a framework-regulation, the procedural dimension of the public administration in terms of intra-institutional, inter-institutional issues, but also in terms of the relation with the beneficiaries of the public administration; at the same time, it will facilitate the use of a unitary terminology for the same legal realities, institutions, principles.

The action on **assessing the impact of implementing the quality management systems and tools in public administration** was finalized under the same project, SIPOCA 59. The first valuation Report developed in this field¹⁰⁵ recommends, among others, the revision/resumption of the *Plan to Gradually Implement the Quality Management within the Public Authorities and Institutions for 2021-2025*, as well as the promotion of the measures aiming at strengthening the role of the Thematic Working Group *Quality Management and Public Services*, coordinated by MDLPA.

The draft **Local Public Finances Code**¹⁰⁶ is going to be subject to a new consultation process with the associative structures of the local public administration, the estimated deadline for adoption being the end of 2023.

The component related to the **annual monitoring of the implementation of the Administrative Code** is also envisaged in order to find the shortcomings of the legal framework and the difficulties of its application in the public authorities and institutions. The *Report on Monitoring the Application of the Administrative Code Provisions for July 2019-December 2021* was completed in April, this year.

Improving human resources management in the public administration

Human resources in the public sector is one of the specific objectives of the current Government's Programme, articulated around several key elements, such as: results-oriented administration and in the citizen's interest, unitary competency framework, stable, consistent and effective institutional and legal system, unitary management, professional and impartial model of recruitment in civil service etc.

In this context, in 2022, ANFP will focus on **finalizing the project Developing a Unitary Human Resources Management System within Public Administration** (SIPOCA 136) with technical assistance provided by WB and **continuing the legislative proceeding**, which will evolve into-a

¹⁰⁵http://www.dpfbld.mdrap.ro/documents/strategia_administratiei_publice/Raport_evaluare_impact_MC.pdf

¹⁰⁶ The *Preliminary Theses of the Local Public Finances Code* were approved through GD No 285/2017.

series of key drafts GD for the reform in this area. The **programmatic activity**, as well as the **monitoring component** will be also kept in the attention of ANFP.

As regards the SIPOCA 136 project, in 2021, WB developed several deliverables on the topic of the *human resources management reform (details in the Annex I, CeSaR)*. During February-March 2022, the results of SIPOCA 136 were disseminated through the regional level webinars and a national seminar; on this occasion, the *competency frameworks model*, the *new civil service recruitment model* and the *performance management* were presented. Two deliverables on the IT component of the project are to be finalized: the proposal of the IT system architecture, correlated with the new proposed recruitment model in the civil service and the proposal to develop the integrated IT system existing at ANFP level in order to ensure the management of the civil service and civil servants. These models will be used to put into practice the reform measures that ANFP has to achieve within NRRP¹⁰⁷. The implementation period of this project was extended until 8 September 2022.

As for the efforts to **amend and supplement the specific regulatory framework for the human resources field**, one intends that, in June 2022, the *draft GD on developing, updating and managing the National Electronic System for Registering Employment in Public Administration, as well as the specification of the necessary operations for the database* and, in July 2022, the *draft GD on the approval of the rules on the content, competence and procedure for elaborating and approving the competency frameworks* to be brought to the Government's attention, for their approving. By the end of the first semester of 2022, the draft normative act that will regulate the *organization of the pilot-project of the competition for filling the vacant civil service positions* will be subject to the process of decisional transparency and consultation with the authorities, public institutions from the central and local administration, other social dialogue partners (it is estimated that the draft GD on the approval of the relevant rules in this sector will be presented to the Government with a view of adopting in September 2022). Attention is also paid to the supplementing the legal provisions on the *organization and functioning of ANFP*, and a draft GD in this respect is to be finalized in the first semester of 2022.

From the perspective of the **monitoring activity**, the *2021 Report on the implementation of the principles and standards of conduct, as well as the disciplinary procedures within the public authorities and institutions* is to be elaborated. It will cover issues related to the ethical counselling, ways to prevent the violation of the rules of conduct, notifications grounds, duration of the administrative investigation, infringed legal rules etc.

At programmatic level, the **draft of the 2022-2027 Strategy in the field of civil service**, but also the draft normative act for its approval will be finalized in the first semester of 2022. The general objectives of the future strategy mainly aim to develop and implement the data-based and future-oriented public policies for the human resources management in the civil service sector, the digital transformation of this field, the management of the necessary skills to provide quality public services etc.

Professionalizing the public administration personnel

Training civil servants in order to adapt them to observe a taxpayer-oriented vision is part of the general objectives category of the *Programme for Government 2021-2024* regarding the *public administration* sector.

In the context of developing the external partners network, INA focused on the current issues, such as the need to enhance the online training skills, the use of the innovative online training tools, the integrity in administration. The training programmes and the webinars¹⁰⁸ benefited from the support of the Embassy of the French Republic in Romania and ENA. In addition, the

¹⁰⁷ Component 14, measure B! - National competition to entry into the Civil Servants Body, correlated with the position-based selection

¹⁰⁸ The e-learning principles and conceiving an online training programme; Anticorruption and Integrity - Good practices in the French system

Summer School facilitated the exchange of good practices at the local, national and international level (encompassing 1,500 participants: civil servants with a management position (16.6%), respectively an execution position (56.5%), contract staff (16.9%), local elected officials, prefects and sub-prefects, high-ranking civil servants, representing all levels of the public administration).

The **2022 training programmes portfolio** (*professional training and specialized training*) will be in line with the priority areas of training for the public administration and will address all types of personnel in this sector, as well as other interested persons. The offers will be finalized after the approval of the grids and the regulations related to the professional training programmes by the Coordinating Council of INA (the expected completion term: Q2/2022). The recruitment and selection process of the specialized personnel involved to conduct the professional training programmes has been resumed, and the supporting-materials will be adjusted to the new challenges in this field (the digitalisation of the training process). For a unitary approach of the training process for the public administration, INA intends to create and render the network of training providers (ReForm)¹⁰⁹ operational during 2022.

The preparation of the *specialized training programmes for filling in the public dignity positions of prefect and sub-prefect, as well as the Civil Service Position Corresponding to the Category of High-ranking Civil Servants* is also in the attention of INA. Another strands of action will aim at: (i) *developing competences to implement a good governance* through the top-performing Governmental Organizations and to *exercise the management positions* in public administration, including the *TAD's Secretary-General* position; (ii) *improving and developing knowledge, attitudes and skills for the representatives of the local community in performing their duties*.

At the same time, the *leadership programmes* for the decision-makers and the executive management of the public authorities, institutions and services will continue, contributing to the professionalization of the central and local administration staff.

INA will further support, as a *beneficiary/ partner*, the activities within the projects focused on strengthening its capacity to develop studies/analyses with impact on the training system for the public administration (SIPOCA 617), the specialized training of the persons with responsibilities in the procurement field (SIPOCA 625) and of the staff/decision makers from the local and central administration involved in the process of carrying out the public procurement procedures (SIPOCA 1100).

Better regulation

The efforts to increase the quality of regulations will continue, especially through the project *Impact Studies for a better regulation*¹¹⁰, implemented with the assistance of the WB. Within this project, a diagnostic analysis, with clear recommendations for the *operationalization of the quality of regulations control mechanism*, was elaborated. Thus, on 30 March 2022 the GD No 443¹¹¹ was adopted, through which the *Consultative Council for assessing the impact of normative acts* was established. It operates under SGG, without having legal personality, and consists of a minimum of 5 members and a maximum of 11 (including a coordinator), with relevant experience and expertise in the elaboration and substantiation of draft normative acts and public policy documents, in their implementation and/or evaluation. Its members have a 4-year mandate, with the possibility of extension, and are appointed and revoked by decision of the Prime-Minister, at the proposal of the Secretary General of the Government.

The Council analyses the compliance of the presentation and motivation instruments

¹⁰⁹ Within SIPOCA 617

¹¹⁰ SIPOCA 603

¹¹¹ *GD on the approval of the content of the presentation and motivation tool, the structure of the report on the implementation of normative acts, the methodological instructions for conducting the impact assessment, as well as for the establishment of the Consultative Council for assessing the impact of normative acts (OJ No 333/5 April 2022)*

accompanying the draft normative acts, prior to the adoption by the Government, and formulates opinion in the consultation stage, analyses the conformity of impact studies and reports regarding the implementation of normative acts, contributes to the elaboration of the annual report on the normative acts impact assessment, identify reform priorities in the field of better regulation and preliminary assessment of the impact of regulations and supports SGG in coordinating their implementation.

The Report on the impact assessment of regulations in 2021 will be also developed this year (the third annual report on this topic). Moreover, three institutions were selected to receive TA on the development of impact assessments (MEd, MADR and MTI).

In the forthcoming period, activities will be carried out under the aforementioned project on consolidating and expanding the Community of Experts in the Regulatory Impact Assessment/RIA (e.g. by organizing workshops and updating an online platform).

Particular attention will be paid to **debureaucratization and administrative simplification**. The activities of the *Zero Bureaucracy*¹¹² project (currently in the phase of TA services procurement) have a contribution in this regard. This project aims at analysing public services with a significant bureaucratic impact on the business environment and citizens, and at developing new methodological instruments of measurement and reduction of bureaucracy, respectively of an integrated mechanism for the administrative burden simplification, likely to facilitate the communication with the public institutions, through access to electronic procedures.

As regards the two mechanisms¹¹³ related to the *Integrated Plan to simplify the administrative procedures applicable to citizens* (the *monitoring mechanism*¹¹⁴ and the *mechanism to assess the impact of the measures*) a series of progresses were registered in 2021, *which are available in Annex I, CeSaR*.

Regarding the second mechanism of the Plan, the one **meant to assess the impact of the measures to simplify administrative procedures applicable to citizens**, the service agreement on the establishment of the IT platform was signed in October 2020, the business analysis was finalized in February 2021, and the platform became operational in Q1/2022.

Given the epidemiological context, the estimated deadline for **achieving the assessment mechanism** was extended until Q4/2021, when it was finalized. Based on this mechanism the **first evaluation report was elaborated** in Q1/2022.

Territorial development and the improvement of housing conditions

The ***Strategy of Territorial Development of Romania (SDTR)***, a programmatic document which sets out development objectives, measures, actions and concrete projects at territorial level, is under parliamentary adoption procedure¹¹⁵. The starting of the approval process of the drafts of the *GDs*¹¹⁶ *needed for the implementation of SDTR* will be possible only after promoting the draft law for the approval of SDTR.

¹¹² SIPOCA 399

¹¹³ Outcome of the project *Systematizing legislation, monitoring and assessing tools in public administration*, SIPOCA 59

¹¹⁴ The monitoring mechanism was adopted by CNCISCAP on 10 July 2020. The data needed for the elaboration of the first monitoring report was subsequently collected (the report was completed in late May 2021).

¹¹⁵ The strategy was re-submitted on 11 November 2018 by the Plenum of the Chamber of Deputies (the decision-making chamber) to the *Committee for Public Administration and Spatial Planning*.

¹¹⁶ The drafts *GDs for the adoption of the methodology for identifying and evaluating landscapes, the methodology for identifying informal settlements, and the methodology for calculating and applying the territorial development index*; the draft *GD on the approval of the procedure for assessing the territorial impact of territorial strategies, programmes and policies elaborated by the central public administration authorities*; the draft *GD for the approval of the SDTR Implementation Plan*.

Based on the results of the projects SIPOCA 50¹¹⁷ and SIPOCA 711¹¹⁸, promoting the draft *Law on reviewing the Plan on the National Spatial Planning, Section IV - Localities network* is expected to be resumed.

In line with energy efficiency and sustainable development measures, the following regulations are being elaborated under the project *Increasing the coherence of the regulatory framework and the efficiency of the technical regulations in the field of construction* (SIPOCA 731):

- With regard to the measures to ensure the indoor air quality, the Technical Regulation (guide) on methods for preventing and controlling the penetration of radon in the new buildings, the guidelines on methods for preventing and controlling the penetration of radon into new buildings, and the Technical Regulation (guide) on remediation methods in existing buildings to reduce the level of radon exposure are under elaboration, in the implementation of the *National Radon Action Plan*, approved by GD No 526/2018. The approach of integrated renovation solutions, ensuring high health and environmental standards, comes in the context of the priority actions of the EU strategy *Renovation Wave*, and of those proposed by the *National Long-Term Renovation Strategy*;
- Concerning the measures related to the adaptation to climate change, in support of the *Plan of measures for mitigating the risk of floods*, for the implementation of the *National Strategy for flood risk management on medium and long term*, approved by GD No 846/2010, the *Good Practice Guide on adaptation measures for existing buildings and new buildings in flood areas to reduce vulnerability to floods by improving their performance*, as well as the *Good Practice Guide on protective measures for existing buildings and new buildings, located in flooded areas* are being developed.

For **improving the living conditions**, a series of technical regulations financed by MDLPA's own revenues are being reviewed/elaborated, such as the elaboration of the *Regulation for the management of emergency situations generated by earthquakes* or the revision of the *Fire Safety Regulations for buildings*.

Continuing the reform of the public procurement system

In the field of public procurement, the efforts for **improving transparency and efficiency of public procurement**, for **increasing the administrative capacity of the contracting authorities**, and for **continuing the ex-ante control reform** within the project SIPOCA 625 (*Support in the implementation of the National Strategy on Public Procurement by strengthening the administrative capacity of ANAP and the contracting authorities*) will continue.

Moreover, one continues to implement measures in order to **strengthen the administrative capacity of the contracting authorities**, with a focus on professionalism and integrity issues. The *Report on the analysis of the training and professional development needs of the personnel responsible for public procurement in contracting authorities and entities*, drafted by the WB, will contribute to the **elaboration of the specialized training programme**.

The progress made in carrying out the SIPOCA 625 project activities, including progress in **setting up at least two pilot units for centralized procurement at local level**¹¹⁹, *are available in detail in Annex I, CeSaR*.

In addition to the activities carried out within the SIPOCA 625 project, in order to **increase the transparency and efficiency of the public procurement system**, the provisions of *GEO No 98/2017 on the ex-ante control function of the award process of public procurement*

¹¹⁷ *Streamlining the legislation in the area of spatial planning, urbanism and constructions as well as strengthening the administrative capacity of the specialized bodies of central public institutions in charge*

¹¹⁸ *Elaboration of the urban public policy as a tool for strengthening the administrative capacity and strategic planning of urban areas in Romania*

¹¹⁹ Measure supported by the Activity No 6 (*Configuring centralized procurement units at local level*) within the project SIPOCA 625

contracts/framework agreements, sectoral contracts/ framework agreements and works concession and service concession contracts were amended through GEO No 114/2020. The most important changes are: **elimination of voluntary ex-ante control¹²⁰**; **performing of ex-ante control on a sample of up to 10%¹²¹ of the total public procurement procedures** that may be subject to such a control; **the full digitalisation of ex-ante control¹²²**; **focusing the ex-ante control on contracts that fall into the highest risk categories**; **streamlining the ex-ante control**, with a single ANAP intervention in each stage that is subject to control, by issuing the assent, which is performed through SEAP etc.

For the measures under ONAC responsibility, the implementation will continue (e.g. ensuring the quality of the centralized public procurement process and putting into practice the methods of simplification and efficient management of this process¹²³, the implementation of *five* centralized procurement procedures with EIB support or unfolding professional training sessions ONAC, CNSC and MAI - DSU and IGSU). *Information regarding the implementation status for these measures is available in Annex I, CeSaR.*

Other actions to support the functioning of the administration

To ensure an *efficient justice*, the *Programme for Government 2021-2024* sets out a series of objectives that are articulated around several key elements, such as: balanced and responsible judiciary, access to the public justice service, trained human resources. The measures envisaged aim at revising the legislation to make it predictable for the citizens, the private sector, the institutions, including policy makers, promoting the alternative civil disputes resolution (e.g. mediation, using simplified procedures), strengthening the institutional dialogue and the cooperation with the business environment etc. Continuing the efforts to approve and implement the strategies specific to this field is also part of the Government's strategic vision for the effective functioning of the judiciary.

In May 2021, the last **Annual Monitoring Report** on the implementation of SNA 2016-2020 was approved at the meeting of the anti-corruption cooperation platforms. The **ex-post evaluation** of this Strategy was carried out through a project funded by the *Justice Programme* (NFM). The OECD experts pointed out that for six out of the eight *Public Integrity Indicators* analysed Romania's scores were above the OECD average (for three of them, the score was above the average of the top ten countries assessed¹²⁴). In general, the OECD experts recommend a better coordination of the anti-corruption strategy, an effective involvement of the public institutions in the implementation process, their interaction with the international control bodies (e.g. EPPO, OLAF, Europol) etc. The recommendations were taken into account in the elaboration of SNA 2021-2025, whose objectives will be implemented within NRRP.

From the perspective of ***strengthening the cooperation with the OECD Working Group on Bribery***, on 28 March 2022, MJ received the OECD's analytical Report on the compliance of the national legislation with the standards of the Convention on Combating Bribery. It was distributed for analysis purposes to the involved institutions (in particular, in terms of the recommendations made). After the completion of the report, it is intended to organize, together with OECD, a presentation event, which will mainly address the relevant public entities in Romania. The Decision of the OECD Council to open the negotiations on the Romania's accession to this inter-

¹²⁰ Control which is no longer carried out at the request of the contracting authorities, but by ANAP, selectively, in view of checking compliance with the applicable legal provisions in the field of public/ sectoral procurement/ concessions, in terms of regularity and quality, based on checklists

¹²¹ As against the initial sample of 5%

¹²² Without the need to displace the ANAP staff designated for this purpose to the headquarters of the contracting authority, except where the award procedures are not carried out by electronic means

¹²³ Which is achieved through the project *Development and implementation of integrated electronic mechanisms for centralized procurement development and monitoring* (SIPOCA 753)

¹²⁴ Inclusiveness and transparency of the inter-governmental and public consultations; compliance of the implementation and reporting structures; transparency of the evaluation practices and using it in the decision making

governmental forum is an important step forward.

At the same time, the activities on **promoting ethics, integrity and good governance principles at the local level** (the institutional transparency, the accountability in the decision-making process, the citizens' involvement, using technology to provide public services) remain in focus. To this end, MDLPA **continues the dialogue** on different components **with the representatives of the local authorities**: providing technical assistance to TADs in order to identify and implement the best tools to prevent corruption, organizing regular information sessions etc.

The initiatives that are a milestone in strengthening the integrity within the local administration will also continue, as is the case with the **Integrity Champions Network competition**, an important tool to promote innovation, quality and good governance. In fact, the 2021 edition of the *Integrity Index in the Local Public Administration* showed a substantial increase in the average scores for 725 TADs analysed (70.30 points) compared to the previous edition (59.10 points) and, implicitly, an increase of the interest in enforcing the integrity standards and the specific measures on the decisional transparency and the access to information of public interest.

At the same time, the objective of the *Cooperation and Verification Mechanism (CVM)* to improve the activity of finding, sanctioning and preventing the cases of incompatibilities, conflicts of interest and unjustified assets remains in the attention of the authorities. In this respect, the implementation of the action focused on the **further assessment of the assets and interests, the incompatibilities and conflicts of interest** will continue along with **ensuring an effective follow-up of the ANI cases that are pending before the courts or the disciplinary commissions**. Between January 2021-March 2022, ANI completed 1,800 cases and applied 991 fines. During the reported period, 209 incompatibilities, 69 conflicts of administrative interests, 8 unjustified assets became final and irrevocable.

In 2021, the PREVENT system analysed 7,803 public procurement procedures in order to identify the potential conflicts of interest. Out of the total number of the analysed procedures, 5,079 were singular public procurement procedures (without lots), 2,724 were subsequent public procurement procedures (containing 39,817 lots), and approx. 20% of these are related to the contracts financed by the European funds. A number of 26 integrity warnings have been issued on the possible violations of the public procurement conflict of interests legislation (approx. 26.9 million Euros).

At the beginning of 2021, the **procedure for remote submitting the asset and interests declarations** was also regulated¹²⁵. In Q1/2021, the Electronic Asset and Interests Declaration System (e-DAI platform) became fully operational; by the end of March 2022, 211,560 depositors and 5,163 institutions with at least one account registered on the platform, 27,430 asset declarations and 27,310 interest declarations being filed. In addition, GEO No 127/2021 stipulated that, **as of 1 January 2022, all asset and interests declarations¹²⁶ will be completed and submitted to ANI exclusively through the electronic e-DAI system**. By the same normative act, the deadline related to the obligation of signing these declarations exclusively with a qualified electronic signature was extended until 31 December 2022. Only by the end of 2022, the Agency will accept both electronically signed declarations, through the new e-DAI platform, and those completed and submitted in the usual format, with handwritten signature. Currently, ANI has started a new series of training sessions on the use of the e-DAI platform (over 1,600 participants; the estimated total number: approx. 4,000 people).

The Agency has also set the objective to start a comprehensive project to **update the integrity legislation**, in the context of the fragmentation of the specific legal framework (inconsistencies between conflict of interest regimes, weakening the sanctioning regime on the conflict of interest

¹²⁵ Order No 96/2021, published in the OJ No 22/8 January 2021

¹²⁶ In the case of the persons specified in the Article 1, para. (1), points 1-38 of the Law No 176/2010 (e.g. President of Romania, Presidents of the Chambers of the Parliament, Deputies and Senators; Prime Minister, Secretaries of State, State Advisers; CSM members; judges, prosecutors, assistant magistrates etc.)

for the local elected officials etc.)¹²⁷. This goal will be achieved through the SIPOCA 1158 project - *NIAct - Updating the Legislation in the Integrity field and Providing Support to the Authorities and Depositors in the Transition to the Digital Asset and Interests Declaration*¹²⁸. A legislative intervention to clarify/correct the deficiencies found is the final project objective.

Overall, the allocation of the non-reimbursable funds for *the Justice field* has allowed the financing in 2021, through **NFM and 2014-2020 ACOP**, of a significant number of measures, designed to contribute to the institutional strengthening of the judiciary, the investments in the area of digital transformation, developing the strategic management at the level of the institutions in the system. For example, the ***Justice Programme under NFM*** funds ten pre-defined projects in key areas, such as strengthening the fight against corruption and organized crime, combating the phenomenon of domestic violence (completion term: 2024).

In 2021, MJ concluded, in its capacity of *beneficiary*, the implementation of several projects, such as those related to *Developing and implementing an Integrated Strategic Management System at Judiciary Level* (SIPOCA 55), *Strengthening the Administrative Capacity of the SNA 2016-2020 Technical Secretariat to Support the Implementation of the Anti-corruption Measures* (SIPOCA 62), *Strengthening the Administrative Capacity of MJ by Developing a Platform for Managing the Working Processes and the Specific Applications* (SIPOCA 57).

A number of projects co-financed by ESF (ACOP), having the MJ as *beneficiary*, will continue until the end of 2023, as is the case with the project on the *Functional Review and the Post-2020 Development Strategy of the Judiciary*. In addition, the partnership MJ - WB has been extended, and a 65 million euro project is ongoing (which is also included in the current Programme for Government); it focuses on improving the judicial services.

The measures presented in this chapter can contribute to the fulfilment of SDG 11 and SDG 16.

¹²⁷ Issues highlighted by the Rule of Law and CVM mechanisms

¹²⁸ Implemented by ANI, in partnership with MJ and Transparency International Romania (February 2022 - August 2023)

3.8. Education and skills

REFORMS AND INVESTMENTS IN THE NRRP

NRRP puts a special emphasis on education, having as general objective to increasing the resilience of the education system by modernizing the educational infrastructure and endowment, in conjunction with the current and future needs of the labour market, to ensure participation in quality, modern and inclusive education. Thus, education area benefits from a dedicated component - Component 15 - Education, being also addressed in Components 7 and 14 of the NRRP.

Component 7 - Digital transformation provides for measures dedicated to the digitalisation of public administration (both cross-cutting and sectoral), as well as for improving digital skills.

Component 14 - Good governance establishes mechanisms and coordination bodies to align public administration competencies with technological developments and to guide this field through the digital transition.

Component 15 - Education is expected to digitize education and help developing the skills of students and teachers. Investments in education will foster the competitiveness of the Romanian economy, while preparing students for new technological challenges and opportunities, and will promote social inclusion. Component 15 ensures an appropriate balance between investments in educational infrastructure and those in human capital and contributes to ensuring adequate human resources in educational establishments.

By the end of the Q1/2022, measures were implemented on:

- Training/retraining of employees in companies (Q1/2022);
- Reforming the compulsory education system to prevent and reduce early school leaving (Q4/2021);
- Supporting schools with students at high risk of dropping out through a non-competitive call for projects to support students in ensuring the transition from lower to upper secondary education, based on five indicators set out in the Early Warning Mechanism in Education - MATE (Q4/2021);
- Awarding 750 grants for educational establishments (Lot 1) (Q1/2022);
- Entry into force of the OM to ensure the standards for equipping schools with technological equipment and resources for online educational purposes and to provide a lasting impact of the investments proposed (Q1/2022);
- Signing of the TA contract for the elaboration of the Action plan on school governance reform, including the training and coaching programme for school managers and inspectors (Q1/2022).

Information also available in Annex II regarding the FENIX database.

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OTHER MEASURES (in addition to NRRP)

Key directions:

- ✓ Developing and expanding early childhood education and care services
- ✓ Increasing the quality of education and skills, including digital and green skills
- ✓ Strengthening vocational education and training, including dual education

- ✓ Improving the educational infrastructure by creating “green” and modern schools
- ✓ Updating and matching the pre-university and university curriculum to labour market needs
- ✓ Preventing and combating early school leaving and university dropout
- ✓ Fostering the inclusive approach in education by supporting rural pupils and students, disadvantaged groups and non-traditional students
- ✓ Creating and developing an open and accessible lifelong learning framework and developing qualifications system

Additional information available in Annex I regarding the CeSaR database, as well as in Annex III regarding the European Pillar of Social Rights.

Developing and expanding early childhood education and care services

The Ministry of Education (MEd) continues to implement actions and programmes that will ensure, from a legislative standpoint, the organization and functioning of Early childhood education and care (ECEC) as integrated services to gradually become universal. In that regard, the document *Organisational and operational rules and regulation of preschool education* which was already drafted will be supplemented with information on early ante-preschool education contained in the documents to be developed in 2022, within the non-competitive project *Inclusive and quality early education* (ETIC). The estimated term for approving the document aforementioned is Q4/2022.

The ETIC project trained 223 mentors for early education, 94 experts in curricular development (trained by the three partner universities¹²⁹) and 2,283 teachers in preschool education - early education level. From the 223 mentors trained, the partner universities selected 74 mentors per university who carried out the cascade training of the 2,283 teachers in preschool education (50 teachers/ county), who will work with children aged 2-3 years enrolled in kindergartens. Thus, between 12 August 2019 and 15 March 2022, 2,600 teachers were trained to teach in preschool and ante-preschool education. The project was extended until late 2022, in order to complete the training activity, and a new project activity titled *Expanding the skills acquired in training programmes with new approaches at European level - study visit to Reggio Emilia, Italy*. This activity aims at organizing by the beneficiary of the project a round of specialized continuous training sessions for teachers in preschool education and the training of 44 teachers in pre-university education.¹³⁰ At the same time, the project activity titled *National awareness campaign on the new institutional and curricular framework, opened to quality services for preschool children, as a prerequisite to prevent early school leaving* was rescheduled for the end of project implementation period, i.e. 11 December 2022.

Through the projects under the project call *Development of ante-preschool education services* (budget allocation of 168 million euro) there will be funded projects designed to increase the participation rates in ante-preschool education of children aged 0-2 years, by setting up nursery groups. The implementation of the 36 selected applications started in January 2021 and will be completed in the Q4/2023. Each project targets a group of minimum 52 beneficiary pre-schoolers, resulting in 1,872 children to be supported through these projects. After a period of project suspension (necessary to prepare the conditions for accreditation of nurseries), the activities of the project were resumed earlier this year.

¹²⁹ University of Pitești, “Aurel Vlaicu” University of Arad and “Ștefan cel Mare” University of Suceava

¹³⁰ 42 teachers who completed the training modules of the project and two teachers who are decision-makers in MEd engaged in the development and implementation of policies in early education. The 42 selected teachers will become resource persons for county/ Bucharest school inspectorates in the methodological coordination of the nursery activity. The training programme was provided by the Loris Malaguzzi Center in Reggio Emilia, Italy, in a single stage comprising five days of training, i.e. from 28 March to 1 April 2022.

On 28 April 2022, the Government adopted by GD¹³¹ the *Methodology for the organization and functioning of nurseries and other pre-school early education units*, initiated by MEd. This document sets the organization and functioning of ante-preschool educational establishments.

Increasing the quality of education and skills, including digital and green skills

The COVID 19 pandemic has provided several opportunities to innovate and accelerate the digital transformation of school and to develop digital skills of teachers and students, to ensure adaptation to the epidemiological circumstances and to provide educational inclusion, equal opportunities and quality education.

The closure of schools and of *face-to-face* school learning has led to the need to establish at the level of each school the appropriate ways to continue the courses, and school management teams decided how to organize distance learning activities and communication with students. The main options depended on factors such as: equipment available, availability of an online learning space, the balance between synchronous and asynchronous activities, human resources skilled in IT&C available etc. MEd decided to partially reopen schools for the second semester of the 2020-2021 school year, depending on the evolution of the infection rate at local level. As the hybrid teaching option did not work for the 2021-2022 school year, it was completely removed as option from the decisions made by the public authorities. For most students in Romania, the school years 2020-2021 and 2021-2022 represented a variable alternation of face to face and remote learning.

In order to ***increase the quality of pre-university education***, for the *complete configuration, within MEd, of a mechanism for data collection and processing, within the Integrated Information System of Education in Romania (SIIR)* a module on *School desegregation* was also developed. To that end, the roles of users involved in data collection and **monitoring of school segregation** were defined. Moreover, in order to collect the information necessary for the indicators required in monitoring school segregation, data collection sheets were developed for each entity involved.

In order to improve the quality management tools, the *Methodology on institutional evaluation for authorization, accreditation and regular evaluation of the education providers* was approved¹³². The updated standards for authorization, accreditation and regular external evaluation in pre-university education were also approved¹³³. Under the new legislation, the internal and external evaluation of the quality of education focuses on key factors that improve school attendance, learning outcomes and the well-being of the child/ young person, as well as the capacity of teachers, school managers and the community regarding the aforementioned factors, but also the communication and cooperation with all stakeholders, fairness of education, suppressing discrimination, school segregation and bullying, and the promotion of inclusion and interculturality. Thus, in 2021, based on the new methodology, 73 education providers were evaluated, and in 2022, so far, 408 education providers have submitted applications for external evaluation. In 2021, as a result of the COVID-19 pandemic, ARACIP proposed to resume the steps (temporarily suspended) for the conclusion of a new evaluation agreement to carry out regular external evaluation activities as from Q2/2021 for 176 public pre-university educational establishments, pursuant to art. 40 of GEO No 75/2005 on ensuring the quality of education and which had not been subjected to periodical evaluation. At the same time, in 2022, reorganization of ARACIP was decided, representatives of MEd, private education and military education, as well as a representative of ARACIS being co-opted in the collective management body of the institution, in addition to six experts of the agency. Representatives of trade unions, parents' federations and the Student Council also take part as observers in the meetings of the ARACIP management body. The estimated impact on the evaluation of quality in pre-university education will result in:

¹³¹ GD was issued based on Law no. 17/2022 for the approval of the Emergency Ordinance no. 100/2021, according to which, as from the school year 2021 - 2022, the nurseries were included in the education system.

¹³² GD no. 993/2020

¹³³ GD no. 994/2020; the new external evaluation methodology entered into force on 10 December 2020.

- Improving the organization of the evaluation visit to quantify the quality of the teaching;
- Ensuring transparency by involving all stakeholders involved;
- Increasing the institutional capacity of ARACIP with positive effects in providing better quality educational services;
- A better structuring of the tasks of the employees to respond to the institutional needs.

In the forthcoming period, ARACIP intends to change the structure of the external evaluation visit, through an online component (by reviewing documents) and an on-site visit. In that regard, ARACIP aims to develop the digital competencies of external evaluators and the internal apparatus, as well as to redefine the digital infrastructure by increasing the data storage capacity and security of access to the evaluation platform¹³⁴.

Through the systemic intervention carried out by the project *Professionalization of teaching career - PROF*, implemented between March 2021 and December 2023 and benefiting from a budget of 28 million euro (135.73 million Lei, of which 120.15 million Lei as grants), MEd **reconsiders the vocational training system for teaching career**, intervening both at the level of initial training (through practical internships) and at the level of continuous training (by setting up learning communities and flexible access routes and career development). By 2023, through PROF, the elaboration of the *National institutional framework for pre-university teaching career* is envisaged, by establishing a teaching career mentoring body i.e. the National Center for Teaching Career Mentoring (CNMCD). It will be structured as a network and will include 100 Pedagogical Practice Bases, 11 Teaching Tutoring Centers and four Training Centers for Teaching Careers. Two national continuing education programmes in teacher mentoring have been accredited and, to date, 1,520 staff have been trained, while 1,123 teachers are being trained through the PROF-II programme, out of a total of 28,000 teachers to be trained until 2023. Currently, the Body of trainers in teaching career mentoring, established in each county/municipality of Bucharest is being trained, and the National body of experts in teaching mentoring is being currently established, and this process had started by training 3,000 teachers.

With regard the **development and integration of the IT system in education and research**, the actions for preparing the interconnection of databases for higher education have continued, through the project *Quality in higher education: internationalization and databases for the development of Romanian education*. Thus, web services were provided for the individual transfer of data uploaded to the *Integrated Educational Register (REI) in the Students, Graduates and Labour Market (SAPM)* platform, web services for verifying the student insurance status (CNAS), and specific reports were prepared on the overlapping of the data from SAPM with the data from the *Unique Matriculation Register (RMU)*¹³⁵. A module was also developed in the National Platform for Collection of Statistical Data for Higher Education (ANS), dedicated to the reporting by universities of data on research activity, information being used to implement the funding methodology. The module facilitates the reporting by verifying and validating primary data in real time, as well as by centralizing them at national level, and it will be adapted for the next stage of data reporting on research activity, scheduled for 2023. Interconnection of databases data is being implemented, the correlation of the RMU/ ANS nomenclatures and the verification of the existing data is being carried out, and this process is to be completed by the end of the project i.e. Q2/2022.

Starting with the academic year 2022-2023, the aim is to **expand the Unique Matriculation Register of Romanian Universities (RMUR) for postgraduate education level**, and to ensure the integration of reporting systems at the national level and provide a single, fair and unitary reporting, collaboration between MEd and INS will continue, by making the direct transfer of data

¹³⁴ ARACIP platform available online at <https://calitate.aracip.eu> aims at computerizing the internal evaluation and the improvement of quality education process.

¹³⁵ In compliance with the privacy and pseudonymization policies of the GDPR

from RMUR and ANS to INS, so that MEd becomes, through its platforms¹³⁶, a provider of INS statistical and primary data on the education system.

Moreover, the National Student Questionnaire (CNS)¹³⁷ was applied for the first time, following a partnership concluded by and between UEFISCDI and MEd. This questionnaire measured students' satisfaction with the quality of higher education, and students also answered a number of questions about how the COVID-19 pandemic triggered changes in education. The partial results of this survey show that higher education institutions have developed or expanded the use of IT&C systems in the online teaching and learning, in parallel with the providing flexibility of the individual schedule of students, especially in the case of those enrolled in MA and PhD studies. The final results obtained after the application of CNS are to be published by the end of May 2022.

In order to *improve teachers' skills*, through the project *Relevant curriculum, open education for all - CRED*, the curricular empowerment of teachers continues to provide a methodological approach focused on key competencies. Between April and December 2021, 10,624 teachers were trained thanks to CRED. In total, so far, 47,664 teachers have received training through CRED. As of January 2022, 3,700 primary and secondary education school teachers have attended CRED training courses. In 2022, the training activity will continue until reaching the target indicator set by the project (i.e. 55,000 teachers). A project novelty consists in the introduction, between May 2022 and March 2023, of a training module for 6,000 school principals and deputy principals of mainstream and special educational establishments, who will be trained in the field of curriculum management at the school level. Moreover, through CRED, two new methodologies were adopted in February 2022 by Order of Minister of Education¹³⁸ on the *Second Chance* programme for primary and secondary education cycles.

In addition, within the CRED project, the piloting of curricular adaptation strategies takes place in 25 disadvantaged schools. The activity included approx. 180 teachers who, through professional training, methodological support and tailored tools, develop their professional skills to working with students from vulnerable groups, in order to support the latter participation in quality education. In the spring of 2022, three categories of accredited continuous training programmes will start: *Management of effective implementation of the national curriculum: MANAGER - CRED (nine training programmes)*; *Digital educational resources: development, use, evaluation (nine training programmes)*; *Training programme of trainers for non-formal education (a training programme)*, the latter being scheduled to start in June 2022.

To develop the *digital and intercultural competences of students and teachers*, the eTwinning Action in Romania continues. Through eTwinning projects (approx. 3,400 projects implemented annually in Romania), students can be involved in intercultural, transdisciplinary learning experiences with a student-centred approach, which facilitates the development of school subject-specific skills, but also of interpersonal, digital and intercultural skills. At national level, more than 36,000 pre-university teachers have access, through the eTwinning platform and its tools, to national and international online and face-to-face professional development activities, focusing on the design and implementation of interdisciplinary project-based teaching activities in digitally-supported intercultural contexts.

Improving the ICT skills of both students and teachers is being achieved through the project *Promoting and supporting excellence in education by developing skills in information technology*, which implementation has been extended until the end of 2022, through the consent of the parties, in order to equipping the 60 centres with equipment falling within the scope of public

¹³⁶ RMUR and ANS platforms for higher education are managed by UEFISCDI.

¹³⁷ The National Student Questionnaire was developed by UEFISCDI in partnership with MEd within the project *Quality in higher education: internationalization and databases for the development of Romanian education*, co-financed by the ESF through HCOP. For more details see: <https://chestionar-studenti.ro>. The online tool was completed between November 2020 and January 2021 by 24,280 respondents, from 79 higher education institutions in Romania.

¹³⁸ Order no. 3062 of 25 January 2022 for the approval of the Methodology on the organization of the "Second Chance" Programme - primary education and of the Methodology on the organization of the "Second Chance" Programme - secondary education.

procurement. The project, funded by an 8.78 million lei grant from the Government of Japan, aims to ensure optimal conditions for training and development of top performers i.e. students enrolled grades IX-XIII from the math & computer science educational route. The project is under implementation.

The *School Management Information System - SIMS* project, worth 39.38 million euro, aims to develop and implement a centralized national platform and methodologies for collecting, managing and analysing information on school attainment and daily schooling in pre-university education. The technical documentation of the process is being updated, in partnership with STS and ADR. The project has been extended until the end of 2023, and the public tender is to be launched in Q2/2022.

In order *to provide an open, quality, competitive and labour market tailored higher education*, the *National Strategy for Tertiary Education 2015-2020* has been implemented. According to the progress report, in 2020, approx. 82% of the activities included in the Action plan of the *National Strategy for Tertiary Education 2015-2020*, were carried out in a share of over 50%, 9% in a share of less than 50%, and the remaining 9% were not initiated. Regarding the category of actions to be completed, some of them are annual, methodological or legislative interventions (methodologies, government decisions).

Between 2015-2022, MEd implements the *Secondary Education Project (ROSE)*, which aims to reduce dropout in upper secondary education and the first academic year of tertiary education and to increase the success rate of students at the Baccalaureate exam, with the following expected results: a reduced school dropout rate in the final grades of high schools supported through the project, a decreased percentage of high schools with school dropout by at least 7%, an increased graduation rate and success rate of students at the Baccalaureate exam in the high schools supported by the project, and an increased retention rate in the first academic year in the faculties supported by the project. ROSE supports the transition of students from the upper secondary education system to tertiary education, using a decentralized approach, based on individual grants to high schools. 874 grants are being implemented and propose activities aimed at achieving the above-mentioned objectives, which include: remedial activities, counselling, and career guidance, coaching, personal development and development of socio-emotional skills, as well as extracurricular and information activities, such as field visits/ excursions, training courses, participation in competitions and the formation of school networks. There are also 393 grants for faculties/ universities and which support activities designed to meet the needs of students at risk of academic drop out in the first academic year, through remedial activities, tutoring, counselling and career guidance, support services, as well as the establishment of and equipping learning centres to support students at risk. Moreover, summer bridge programmes are financed for high school students, through which they may attend courses, seminars, counselling activities, sports or socio-cultural activities in university campuses. Thus, in the high schools benefiting from grants, the average dropout rate in the final grades has decreased from the reference value 6.5% to 1.97%, the average high school graduation rate has increased from 86.9% to 96.47%, and the success rate at the Baccalaureate exam increased from 49.6% to 62.31%. As for the faculties supported by grants, the retention rate after the first academic has increased from 79.4% to 81.52%.

In order to support the increase in the quality of teaching & learning activities in high schools supported by ROSE grants, a mentor has been assigned to each of them to support the teaching staff in improving teaching approaches and practices, especially in terms of student focused approach, capability to adapt the curriculum to student's needs and skills. Moreover, five teaching guides for high schools (i.e. on inclusive education, remedial and tutoring activities, counselling and professional guidance, development of socio-emotional skills, and on personal development and coaching), as well as two guides for universities (on the development of socio-emotional skills and on personal development and coaching) were developed and made available to all interested stakeholders on the ROSE project website (<https://www.rose-edu.ro>).

Strengthening vocational education and training, including dual education

Regarding the *strengthening of technical vocational education and training (TVET), especially of the work-based learning component*, the implementation of the *Vocational Education and Training Strategy in Romania during 2016-2020* has continued. Achieving, in the next period, all the strategic and operational targets of the above-mentioned strategy is aimed by ensuring the complementarity of internal funding resources of institutions in charge with external funding via EU-funded projects and dedicated operational programmes (EOP 2021-2027), from NRRP etc. Moreover, the *Educated Romania* project pays special attention to the development of VET, including dual VET education, with focus on students' and labour market needs.

Implementation of the *ReCONNECT project - Adaptation to change - An integrated anticipation, monitoring and evaluation mechanism for the labour market and education* continues through HCOP.

Peer review within partnership networks is a way to improve the quality assurance in TVET and to disseminate good practice. The ERASMUS + project "EUROPEAN QUALITY ASSURANCE FRAMEWORK FOR VET NRP-RO 2021" (EQAVET-NRP-RO 2021) is implemented from April 2021 to August 2023, benefitting from a total budget of 203,889 euro (of which 173,306 euro as EU contribution). Starting with April 2021, the project has been developing a methodology for peer review in partnership networks, together with related tools, based on the European peer review model. A *Handbook for self-evaluation and peer review* has also been developed. Within this project, the feedback platform on student satisfaction is improved and updated, by adding a user interface, with the possibility to choose the degree of detail of the reports by field/ qualification/ educational establishment etc. and with several access levels to the questionnaires outcomes. As from April 2022, this feedback platform can be used both within the project and for additional qualitative reports.

Between February and March 2022, the continuing education programme titled "Self-evaluation and peer review" was carried out, which trained 126 teachers from the partner networks that will be included in a national database encompassing peer review evaluators, and which will participate in piloting the methodology within the partner networks. Between March 2022 and April 2023, two peer reviews were scheduled to be conducted in two schools in each of the 10 partnership networks, totalling 20 peer reviews, and in April-June 2022, the feedback questionnaires on the satisfaction of students from the partner networks on the provision and evaluation of learning outcomes shall be applied, reviewed and reported. A European information session will be organized in the European Vocational Skills Week 2022 (May 16-20) to which decision-makers in the field of VET, teachers and business representatives are invited to attend.

CNDIPT participated in the selection call made through the *Education, Scholarships, Apprenticeship and Youth Entrepreneurship Programme* in Romania funded by the EEA Financial Mechanism 2014-2021 through the project *Unitary evaluation of learning outcomes to improve the quality of learning in the workplace - EVRICA*, which was approved. Its implementation started in June 2021, having as general objective to support the evaluation of learning outcomes, in a unitary and relevant way for the labour market. Within this project, a nationally accessible item database shall be developed, containing tested items, elaborated with the involvement of economic operators.¹³⁹ The database with items will be accessible on the *Alege-ți drumul! (Choose your way!)* website¹⁴⁰ as from the 2022-2023 school year.

Development of entrepreneurial skills through the practice enterprise, by simulating the internal processes carried out in a real company and its relations with other companies and institutions, as an interactive teaching-learning method for the development of entrepreneurship, and as a

¹³⁹ During 11-12.04.2022, within this project, the workshop titled *Testing review of the items selected in the database* was held and it was attended by teachers from mainstream VET and special VET system, representatives of the social partners in the field of professional training for which databases with evaluation items are conceived.

¹⁴⁰ <https://www.alegetidrumul.ro/>

modern interdisciplinary concept for the integration and application of knowledge is a part of the national curriculum for the service business profile and for curriculum developed at local level for other subjects. In the school year 2020-2021, on the ROCT platform¹⁴¹, 1,285 practice enterprises/ simulated enterprises were authorized, of which 381 new companies, 357 continuous companies and 392 taken over companies, and they conducted the current business activity provided in the curriculum and extracurricular activities. In the school year 2021-2022, the evaluation process for the awarding of the *Quality Mark* certificate (an instrument that assesses the conformity of the business activity carried out by a practice enterprise in relation to the Quality Standards specific to the practice enterprise in TVET) is carried out according to CNDIPT Note No 36/10.01.2021, approved by MEd.

Regarding the projects financed by HCOP, under the call HCOP/90 *Internship for pupils and students in the agri-food, industry and services sector*, with a total value of 47.9 million euro, and which support on-the-job training programmes for students and pupils in lower-secondary, secondary (high school) and post-secondary education, including foreman schools, 79 projects were implemented, another nine being under implementation on 28 February 2022. Thus, out of the 19,209 persons targeted for support through these projects, up to 31 March 2022, 21,938 were supported, and out of the target of 11,092 qualified students, by 31 March 2022, 8,497 acquired a qualification under these projects.

Under the call HCOP/711 - *Internships for students, ITI Danube Delta*, with an allocation of 5 million euro, nine financing agreements were signed for nine project applications.

By the call HCOP/633 - *Internships for students for under developed regions*, with a total allocation of 70 million euro, 156 financing agreements were concluded.

For the long-term adaptation of the training offer in TVET to the needs of the labour market in order to ensure a vocational training offer through VET, relevant in relation to the needs of qualifications foreseen for the labour market, CNDIPT supports the development of new professional qualifications as a means to increase the attractiveness of TVET.¹⁴²

With regard *identification of green skills*, according to the analysis of the demand and supply of green skills carried out by the Sectoral Committee for Training in Environmental Protection, it is recommended that all occupational standards should include general green skills, selected according to the requirements of the trade in question. Between 2020-2022, the ANC approved 111 occupational standards (OS) and endorsed three vocational training standards (VETS) (as follows: 17 OS and one VETS in 2020, 78 SO and two VETS in 2021, 16 OS in 2022), of which 27 contain green competencies (e.g. waste sorting, environmental protection, use of environmental protection equipment, risk assessment related to the environmental pillar of sustainable development; environmental impact assessment; implementation of government policy in environmental management, rising awareness on environmental issues etc.).

Improving the educational infrastructure by creating “green” and modern schools

Through the *Early Education Reform Project in Romania* (PRET), 303 kindergartens were built and equipped with furniture, and the construction of 91 kindergartens is ongoing¹⁴³. At the same time, in 2022, reception of 40 kindergartens is expected.

3,371 investment objectives in educational infrastructure were financed by PNDL I and II, of which

¹⁴¹ <http://www.roct.ro/>

¹⁴² Thus, based on the needs found at the level of economic operators and the skills needs expressed by them, three new qualifications were developed: *Luthier*, *Car Electrician* and *Sub-assembly Operator*. To that end, MEd provided methodological support, ensured by the specialized inspectors on the curriculum of the educational establishments for the elaboration professional training standards and curriculum.

¹⁴³ In Q2/2022, procurement procedures for the award of construction works (remaining to be executed) for one kindergarten, works at another kindergarten and relaunch of the procurement procedure for works to four other kindergartens shall start.

1,717 were received ¹⁴⁴

Another investment project, *The National Integrated Platform - Wireless Campus* worth 36.67 million euro is in the implementation phase. Due to a trade transaction between private companies, the implementation of the project stopped until early April. So far, Wi-Fi infrastructure has been made operation in approx. 4,350 schools out of the total of 4,500 targeted by the project.

The *Digital Platform project with educational resources (EDULIB) (Virtual Library)*, worth 41.71 million euro is also in the implementation phase¹⁴⁵. The execution of the contract for the construction of the multifunctional platform, development of the educational resources, and of the related hardware infrastructure is currently underway. In early March 2022, the estimated physical progress was approx. 50%

Law No 299 for the ratification of the Loan Agreement between Romania and IBRD, signed in Bucharest, on 6 May 2021, for the implementation of the *Safer, Inclusive and Sustainable Schools Project in Romania* was published in the OJ on 15 December 2021. The project runs for a period of 6 years, totals 100 million euro, and a first lot of 23 schools at risk were selected for funding.

Regarding the development of higher education infrastructure, construction projects are underway for 30 dormitories in 15 cities, university centres, of which contracts for 12 objectives were signed, being currently under various stages of implementation, and the works for three objectives are in the public procurement phase.

Updating and matching the pre-university and university curriculum to labour market needs

In the school year 2020-2021, compliance with all the stages of elaboration, endorsement and approval of a number of 450 school programmes was ensured, both for compulsory school subjects, part of the basic curriculum, and for the school-based curriculum - study programmes for optional subjects included in the national curriculum offer. MEd started the elaboration of the curriculum for the compulsory subjects/ fields of study in pre-university education and for the qualifications/ fields of professional training for which schooling is carried out through TVET. In this sense, educational resources have been developed making gathered in the collection *Methodological landmarks for the application of the 9th grade curriculum in the school year 2021-2022*, resulting in a collection of 100 separate guides for teachers and covering the full range of school subjects and specialized modules provided in the high school/ VET framework curricula plans designed for the 9th grade¹⁴⁶. The above-mentioned collection complements a collection of supporting materials for the 2020-2021 school year that contain elements for recapitulation, recovery, teaching and evaluation of skills that were/ should have been developed in the 2019-2020 school year, all gathered under the title *Methodological landmarks for consolidating learning acquisitions in the 2019-2020 school year*.¹⁴⁷

Through the CRED project, methodological guides are being developed and published for the different school subjects in primary and secondary education; so far 18 guides have been completed¹⁴⁸. Open educational resources (OERs) and other relevant resources are also being developed to support the implementation of the new school curricula (7,200 OERs will be

¹⁴⁴ The total multi-annual financial allocation approved for educational establishments under PNDL is 1.08 billion lei from PNDL I and 3.53 billion lei from PNDL II. The current budget of the Programme for Improving Sanitary Conditions in Schools is 64.9 million lei.

¹⁴⁵ The public procurement procedure carried out in this project was challenged twice: the first appeal was also dismissed at the Court of Appeal, and the second appeal was dismissed by the CNSC and is pending before the Court of Appeal.

¹⁴⁶ The collection of methodological landmarks was developed between July and August 2021 and was uploaded on the ministry's website, being available online at: https://www.edu.ro/repere_metodologice_aplicare_curriculum_clasa_IX_an_scolar_2021_2022

¹⁴⁷ Available online at: www.educatiaccontinua.edu.ro

¹⁴⁸ 15 methodological guides for the application of the new school curricula in primary and secondary education, a guide on curriculum management for school managers/ inspectors and two guides on the "Second Chance" Programme

completed by 14 August 2022). 20 model-curricula for integrated optional subjects (including for Second-chance education) have been developed and will be approved by OM.

In order to assess the impact of the school curriculum, in the period 2021-2022, Romania participates in the PISA 2022 survey - the OECD's Programme for International Student Assessment with the aim of assessing the level of literacy of 15-year-old students in the fields of mathematics, science and reading. For the first time in Romania, the administration of PISA is a computer-based assessment (CBA) type. The study takes place in 295 schools in Romania, with an estimated participation of 7,800 students.

Increasing the quality of higher education and matching it with the labour market requirements is an objective followed constantly by MEd. By GD No 369/2021 on the organization and functioning of the Ministry of Education, MEd was given the task to follow the professional path of the higher education graduates, by accessing some information from the General Register of Employees. By OM No 4504/2021¹⁴⁹, MEd designated UEFISCDI as the body responsible for piloting the monitoring system for the employability of higher education graduates. Thus, in this capacity, UEFISCDI concluded a collaboration protocol with the Labour Inspectorate on the access to the information from the General Register of Employees, in order to ensure interoperability with the MEd platforms.

In order to operationalize the tasks of the MEd regarding the tracking of the career path of higher education graduates, UEFISCDI applied the *National Questionnaire on the Employability of Higher Education Graduates (CNAAIS)*¹⁵⁰. The survey results are currently being processed, and the first findings of the survey will be published as from May 2022. The main goal of is to improve connectivity of the university system with the dynamics of the labour market, by tracking the career path of graduates. CNAAIS also fulfils a series of commitments undertaken by Romania through the *Council Recommendation of 20 November 2017 on tracking graduates*, through a series of actions such as: collection of administrative data, dissemination of questionnaires, corroboration of administrative data with information provided by graduates by completing a questionnaire. Most of the recommendations proposed by the EC on tracking graduates' career path have been implemented¹⁵¹.

At the same time, Romania is actively participating in the European Graduate Tracking Initiative focused on higher education graduates, confirming its participation in the Eurograduate pilot survey. It is to be implemented starting with October 2022. At the same time, by OM No 5241/2021¹⁵², MEd designated UEFISCDI as a National Reference Point for tracking the career path of graduates and as body designated to conduct the Eurograduate pilot survey.

The project *Improving public policies in higher education and increasing the quality of regulations by updating quality standards - QAFIN* (budget: 16.073 million Lei) ended in October 2021. The project aimed at achieving and implementing evidence-based public policies, and to link strategic planning with programme-based budgeting in higher education funding, by increasing the quality of regulations on quality assessment in higher education, classification and ranking of higher education institutions, and the study programmes thereof, and by improving the administrative capacity of MEd and ARACIS, through tailoring their structures, streamlining processes and

¹⁴⁹ OM no. 4504/2021 on the designation of the Executive Unit for Financing Higher Education, Research, Development and Innovation as the body responsible for piloting the tracking system of the employability of higher education graduates.

¹⁵⁰ The National Questionnaire on the Employability of Higher Education Graduates was developed by UEFISCDI in partnership with MEd in the project *Quality in higher education: internationalization and databases for the development of Romanian education*, co-financed by the ESF through POCU. For more details see: <https://chestionar-absolventi.ro>. The online tool was completed between 17 November 2021 - 28 February 2022 by a number of 7,303 respondents, the data being currently processed.

¹⁵¹ The EC, *Mapping the state of graduate tracking policies and practices in the EU Member States and EEA countries. Final report*, March 2020;

¹⁵² OM no. 5241/2021 Executive Unit for Financing Higher Education, Research, Development and Innovation as National Reference Point for tracking the career path of graduates and as body designated to conduct the Eurograduate 2022 pilot survey.

preparing human resources, by means of transparent public consultation mechanisms that ensure the participation of citizens in decision-making, and application of European quality standards. The results of the project consist of various methodologies, guides and other documents that are available online¹⁵³.

Since December 2020, MEd¹⁵⁴ has been implementing the project *Career start through teaching master*, funded by HCOP 2014 - 2020. The project aims to improve the quality and efficiency of tertiary education by diversifying educational offerings in tertiary university education, improving the skills of teachers from university tertiary education in terms of innovative educational content and modern and flexible learning resources, as well as by fostering access to higher education. In this project, the following results were obtained: a first draft of the master degree graduate profile; analyses on the implementation of the teaching master degree worldwide; 14 educational offerings authorized and implemented in the accredited higher education institutions participating in the project; 393 master students who completed a three study semesters; a draft of the Impact Study on the implementation of the teaching master programme; a first draft of the architecture of the innovative virtual network designed to support and improve teaching master degree programmes; four applications for reimbursement submitted.

With regard university funding, one continues to support the adaptation of the academic curriculum to the needs of the labour market by allocating the Institutional Development Fund (according to OM No 3320/2021 and OM 5825/2021). In 2021, 44 institutional projects submitted by universities were implemented, the total amount financed by MEd in this line of action amounting to 12.7 million lei. As for 2022, the competition ended in late March, a separate financing domain being put forward i.e. D7-Labour Market (which aims to correlate the educational offer with labour market demand, career counselling and guidance) following that, by the end of this year, 46 of institutional projects benefiting from a total funding of 9.4 million lei to be implemented.

Within the call for projects titled *Student Entrepreneur Scholarship* programme, financing contracts were signed for 22 applications of which 15 have been completed and six are ongoing. So far, through these projects, 5,500 pupils and students and 669 teachers have been certified, 28 higher education offerings have been validated/ authorised/ implemented within the accredited higher education institutions and 1,318 teaching staff have benefited from training programmes/exchange of good practices. For this call, the amount approved for disbursement from the reimbursement requests has reached 104.79 million lei.

Moreover, within the call for projects *Measures for streamlining the study offerings in higher education to support employability*, out of the 11 contracted projects, 10 projects were completed, and one project is in under implementation phase. Through these projects, 3,479 pupils and students, as well as 770 teachers have been certified, 87 educational offerings were validated/ authorised/ implemented in accredited higher education institutions, and 890 teaching staff have benefited from training programmes/exchange of good practices etc.

Preventing and combating early school leaving and university dropout

Ensuring equal access to education and reducing early school leaving remain on the top-agenda of priority interventions, the planning of these interventions being provided as a measure to meet the enabling conditions applicable to education and training to attract European funds in the multiannual financial exercise 2021-2027.

The *Early Warning Mechanism in Education* (MATE) project developed to prevent early school

¹⁵³ <https://www.aracis.ro/rezultatele-proiectului-qafin/>

¹⁵⁴ In partnership with eight higher education institutions i.e. Polytechnic University of Bucharest, University of Bucharest, Bucharest Academy of Economic Studies, "Babeş-Bolyai" University of Cluj-Napoca, "Ovidiu" University of Constanța, University of Craiova, "Alexandru Ioan Cuza" University of Iași, West University of Timișoara, and UEFISCDI.

leaving and early school leaving, and funded by the 0.4 million euro by the EC (DG REFORM), was piloted with the support of the WB through educational activities unfolded in 11 educational establishments, and it will continue and enhanced at national level, through the National Programme for Reducing School Dropout (PNRAS), approved by GD No 1309/2021 and provided at milestone 462 of the NRRP.

In order to support children entering a new school cycle, MEd elaborated the draft **National Parent Education Strategy "Educated parents, happy children" 2022-2030**, launched in public debate on 20 April 2022, and which is scheduled for approval by GD in Q3/2022. The strands of action of this strategy aim at establishing and ensuring the operability of a national, integrated and consistent intersectoral system for the development of parents' skills and competences.

Strengthening the inclusive approach in education by supporting rural pupils and students, disadvantaged groups and non-traditional students

In order to ensure the inclusion of children with special educational needs (SEN) and to ensure the compliance of the Romanian education system with the requirements of the international legal framework on the rights of persons with disabilities, MEd approved Procedure No 25.464/DGIP/ 11 February 2022 **on ensuring equal opportunities for visually impaired, hearing impaired and students with neuro-developmental disorders who take national examinations** (national graduation exam for 8th grade graduates, and baccalaureate exam) in 2022.

In order to **reduce and prevent early school leaving and promote equal access** to quality pre-school, primary and secondary education, projects under two competitive calls for proposals that are under implementation as follows:

- (1) HCOP/74 *School for All* - which promotes integrated measures to prevent and reduce early school leaving for young and adult schoolchildren, to support teaching staff, including through *Second Chance* and *School after School* programmes. To date, 127 projects have been contracted, of which 44 are being implemented and 100 projects have been completed. Until 31 March 2022, 25,010 children, 141,689 students and 10,648 young people/ adults had received support for participating in education programmes. Moreover, 3,753 children/ young people/ adults completed *Second Chance* programmes, as a result of the support received, and 295 children/ young people/ adults obtained a qualification upon completion of these programmes.
- (2) HCOP/73 *Motivated teachers in disadvantaged schools* is a call targeting the most disadvantaged schools, who have many children at risk of dropping out and which fail to attract or retain qualified teachers. To date, 27 projects were contracted, of which 26 were completed and one project is being implemented. Until 31 March 2022, at HCOP level, 44,938 teachers and support teachers had benefited from training/ exchange of good practice programmes, and 37,285 of them have improved their skills/ been certified.

On 28 April 2022, the Government adopted GD No 560/2022 for the approval of the *Strategy for Inclusion of Romanian citizens belonging to the Roma minority for the period 2022-2027*. The general objective of the strategy is to increase the quality of life of Romanian citizens belonging to the Roma minority, based on active citizenship, socio-economic inclusion and the enhancement of Roma cultural heritage. Novelty aspects of the strategy consist of two new sectoral objectives focused on combating racism against the Roma and specific elements of promoting Roma culture, tradition and identity and reconciling with the past¹⁵⁵. In terms of education, the main areas of action of the strategy are: reducing school dropout among Roma students; increasing the inclusion of Roma children in the formal education system; ensuring the quality of education in the educational establishments (preschool and school levels) with predominantly Roma students, with

¹⁵⁵ By highlighting in the education system and at the level of public debate the historical periods detrimental to the Roma: Slavery, the Holocaust, or the process of forced assimilation during the communist regime

a focus on residentially segregated schools and remote schools placed in isolated communities; promoting interculturality and creating an inclusive school environment; preserving cultural identity and building self-esteem among Roma students.

Regarding the access of Roma students to high school, the admission of Roma candidates for special places dedicated to Roma in public high school education and VET/ dual VET education was also organized in the school year 2021-2022. The total number of vacancies occupied by Roma students was 2,090, of which 1,762 in high school and 328 in VET, including dual VET.

The HCOP/982/6/20/152864 project *Competence and efficiency in teaching Romanian to children and students belonging to national minorities in Romania*, with a value of 44.48 million lei aims to prevent and reduce early school leaving among students in compulsory pre-university education belonging to national minorities in Romania, by ensuring access to quality education, by training/ developing students 'communication skills in Romanian, based on modern/ attractive learning resources and by ensuring a continuous unitary and specific teacher training.

The Technical Support Instrument implements the project *Strengthening the management of the Romanian education system, by developing and implementing an efficient local and regional governance model in the pre-tertiary education system and enhancing the equity of the education system in Romania*, funded by DG REFORM. The requested technical support is complementary to the one provided by NRRP, through which PNRAS will be implemented.

In order to continue the *Second Chance* initiatives, the projects under the competitive call for projects titled *Second Chance Measures* (665 and 666) are being implemented and finance actions aimed at ensuring an adequate supply of *Second Chance* type educational programmes; within the call (benefiting from a total allocation of 163.45 million euro) 36 project applications were selected, out of the 47 applications submitted. These projects are to be implemented by the end of the Q4/2023.

In the competitive calls for projects aiming at implementing *Second Chance education measures for NEETs*, measures were funded to support young NEETs who had not completed their compulsory education in order to re-enter the education and training system. Financing contracts were signed for 44 projects worth 42.5 million euro.

Under HCOP 2014-2020, the competitive call for projects HCO/ 784 *Pilot programme to stimulate the participation in education of children with parents working abroad* was launched, and the financing of 66 project applications worth in total 65 million euro was approved. The projects aim in particular at providing an integrated package of services for pre-schoolers and students in primary (6-10 years), secondary (11-14 years) and upper-secondary (14-16 years) education in order to stimulate participation in education and prevent early school leaving (including through educational support services, psycho-social support services, parent education and social counselling services).

In order to *strengthening the social package for education*, targeting students from high-risk groups, MEd continues to run annual national social programmes as described below:

- **The National Social Welfare Programme Money for High School**, which provides financial support to high school students to continue/ complete their studies. Following the adoption of GD No 712/2018, as from 2018-2019 school year, each beneficiary student receives the amount of 250 lei/ month for the entire duration of the courses, in case of compliance with all the legal conditions provided. In addition to the indexation of this amount (from the initial amount of 180 lei/ month), the value of the maximum ceiling for granting the scholarship was increased from 150 lei to 500 lei/ family member. In the school year 2021-2022, the number of beneficiaries reached 22,853 students;
- **Euro 200 programme** is a national programme that supports students lacking financial means to purchase IT equipment. In 2021, 2,150 pupils and students benefited from this programme.
- **The Hot meal for students programme** was initially launched in 2016 as a pilot programme and included, in the first phase, 50 schools. The main purpose of the programme is to reduce

the school dropout rate. In February 2022, the Romanian Government approved by GD No 185/2022 an allocation of 66.8 million lei, from the reserve fund for financing the Pilot Programme for providing food support for pre-schoolers and students from 150 state pre-university educational establishments, for the second semester of the school year 2021-2022

- **The *Professional Scholarship Programme*** is a national social programme addressed to all students attending VET and consists of a monthly financial support that also benefits the children of foreign citizens benefiting from a form of protection in Romania or of foreign citizens with the right to stay/ residence in Romania, and who attend VET. In the school year 2021-2022, 99,342 students benefit from professional scholarships through this programme;
- **The social scholarships were financed, until 2020 inclusively, only from the local budgets of TADs.** For the school year 2020-2021, the Government established, by GD No 1064/2020, a minimum amount of performance, merit, study and social scholarships of 100 lei, which was provided from the state budget, from amounts collected from VAT. In 2021, the Government established, by GD No 1094/2021, a new amount of scholarship to be awarded to students in the school year 2021-2022, in a differentiated manner, for the first time, according to the category of scholarships, as follows: 500 lei for the performance scholarship, 200 lei for merit and social scholarships, and 150 lei for study scholarships.
- **The *Romanian School Programme*** grants to pre-schoolers enrolled in public or private accredited kindergartens (with normal schedule - 4 hours) but also for pupils and students enrolled in public and private primary and lower secondary education fresh fruits and vegetables, milk and dairy products and bakery products within the limit of a daily value per pre-schooler/ pupil/ student, as well as the financing of educational measures that accompany the distribution of fruits, vegetables, milk and dairy products. For the school year 2021-2022, the allocated amount is 501.553 million lei. Overall, 1,903,851 pre-schoolers, pupils and students enrolled in early, primary and lower-secondary education are beneficiaries of this programme.
- **Student transport is covered** through actions targeting the *mobility of students and transport costs reimbursement*. In 2021, GEO No 50 of 16 June 2021 for the amendment and completion of the National Education Law No 1/2011, which regulates the settlement of students transportation expenses was approved. Thus, those students who cannot be enrolled in school in their place of residence will be reimbursed the commuting costs incurred for traveling between their place of residence and the locality where the educational establishments is located; these expenses are covered throughout school year from the MEd budget through the educational establishments where students are enrolled, provided the observance of a 50 km travelling distance. Moreover, students living in boarding schools, tenants or occupants are refunded from the MEd budget, through the school establishments, the equivalent amount of eight round trips per school semester. Students are able to request the amount in advance, while settlement is made the following month.
- **School supplies** are provided to students to stimulate school attendance. At the beginning of each school year, packages with school supplies specific to each grade are distributed through the School Supplies Programme. In the school year 2021-2022, 258,356 pupils and students are beneficiaries of this programme.
- **Granting of educational support based on vouchers on electronic support** is ensured by GEO No 133/2020 through which pre-schoolers and primary and secondary school pupils and students coming from low-income families benefit from social vouchers for educational support worth 500 lei each. The financing request related to the development of this social programme was approved, the project budget being supplemented from 130 million to 216.26 million lei, so that as many children as possible benefit from this facility. The social vouchers in electronic format offer the beneficiaries the possibility to choose school supplies for children attending a public school - kindergarten or primary/secondary education school - the programme will be implemented throughout two school years. The total number of

beneficiaries for whom e-vouchers were issued is 245,018 (children/ students) out of 10,115 educational establishments, e-vouchers being delivered by mid-April 2022.

The Romanian Government will also implement the ***Support for Romania*** package, which includes measures to support students receiving social scholarships, by granting vouchers worth 30 euro per month for the purchase of food, supplies and clothes, as well as guaranteeing student loans, through the *National Student Invest Programme*, in order to cover expenses such as tuition fees, publication of books or specialized studies, payment of accommodation in student dormitories.

By MO No 3300/2021, the enforcement guidelines for the *School after school* type national pilot programme for students up to the 8th grade inclusively were approved. The organization of remedial education activities, materialized in learning activities, aims to improve the learning acquisitions of students which contribute, with priority, to the development of their literacy and STEM skills, including activities for training behaviours specific to the "Learning to learn" competence. HCOP/ 933 *School after school* national pilot programme, benefitting from 30 million euro, was launched on 25 March 2021, through a call for non-competitive type projects funded by HCOP 2014-2020. In the educational remedial activities, which took place between March and August 2021 in 2,354 primary and secondary education schools, were attended by over 170,000 students, of which over 120,000 from rural areas, over 20,000 Roma students and over 2,000 students with disabilities.

In order to *stimulate upper secondary school graduates to continue their studies in tertiary education (higher education or other forms of post-secondary education)*, the implementation of the high school grant scheme within the *Secondary Education Project - ROSE* continues. Due to the repeated suspension of face-to-face courses and the slowdown in grant activities, caused by the pandemic, 177 of the 255 high schools receiving grants in round I, started in 2017, have concluded addenda to extend the project implementation period. In the context of the pandemic, under the ROSE project, IT equipment was purchased (59,072 laptops, 4,346 interactive whiteboards, 5,746 conference rooms webcams), for 1,093 high schools, to help them in combating the effects of the pandemic, enabling learning through technology and the internet. The laptops purchased supported disadvantaged students, thus avoiding deepening inequities caused by unequal access to resources, as well as a possible school dropout. Also, within the ROSE project, 105 grants were implemented under the *Scholarship Scheme for Universities - Summer Programmes*, that is the maximum possible number of grants of this type. In the academic year 2020-2021, 3,794 students benefited from the summer programmes.

In order to ***support rural students, disadvantaged groups and non-traditional students to participate in tertiary education***, MEd continues to implement social programmes: special places for high-school graduates from rural areas, scholarships, grants for board and lodging, partial reimbursement of transport costs.

For the academic year 2021-2022, separate schooling places were allocated to high school graduates located in rural areas (2,000 places, of which 1,170 places have been filled), for the priority development areas of Romania (5,000 places - BA level, 4,500 - MA level, 300 - PhD level), as well as for 400 places for the initial training of future teachers (teaching master). Special places in public universities were allocated to Romanian citizens belonging to the Roma minority for BA level (327 places), MA level (81 places) and doctoral studies (10 places). According to data available in October 2021, 4,730 students were enrolled in special places (all years of study) in public higher education establishments for undergraduate studies, of which 3,923 students had graduated from rural high schools and 807 are Roma students. 109 Roma students are enrolled on special places (all academic years) allotted to master degree study fields, and 23 Roma students are enrolled on special places (all academic years) allotted to doctoral studies.

In 2021, UEFISCDI published an review of the transition of pre-university students to higher education, and in early 2022, it published a systemic report on post-secondary education, both of them¹⁵⁶ being relevant in terms of both the data they analyse and their proposals of public policies

¹⁵⁶ <https://uefiscdi.gov.ro/publicatii-1>

on the topic of access to higher education for disadvantaged groups and non-traditional students. At the same time, in 2022, UEFISCDI shall publish a public policy framework on access, progress and graduation that will contain recommendations for improving policy and regulatory mechanisms in the field, targeting especially disadvantaged students. An impact assessment of a centralized admission system in higher education will also be published.

In the draft GD on approving the schooling figures for public pre-university education and for public higher education in the school/ university year 2022-2023, launched in public consultation in March 2022, MEd reconsiders the VET system for teaching career, by restructuring the system of access/ admission to the initial training programmes for the teaching career and puts forward the allocation, from the total number for undergraduate studies, of distinct places for the teaching career in the pre-university education (2,000 places).

Through the *Institutional Development Fund* (IDF) in both 2021 and 2022, universities have been encouraged to take steps to increase access to higher education for people from socio-economically disadvantaged backgrounds and through additional funding (as a result of application of the quality indicator QI 4.1 - Ability to integrate people from socio-economically disadvantaged backgrounds in educational programmes). Thus, out of the total amount earmarked for Supplementary Financing for the final distribution in 2021, 5% (i.e. 62.033 million lei) was allocated according to the results of the QI 4.1 aimed at integrating people from socio-economically disadvantaged backgrounds, and from the total amount intended for Supplementary Financing for the preliminary distribution in 2022, 5% (i.e. 58,433 million lei) was allocated according to the outcomes for the same indicator.

In 2021, the institutional initiatives on the internationalization of higher education by supporting the promotion of the educational offer of Romanian universities consisted in developing an improved version of the *Study in Romania - SiR* platform, with a more attractive and friendly design for mobile applications encompassing additional features. Moreover, additional modules connected to the platform have been developed - the online application module for scholarships offered by the Romanian state through the Ministry of Foreign Affairs (MFA). This joint initiative of the two institutions, developed in late 2021, was used between 20 December 2021 - 15 March 2022, resulting in an exponential increase in the number of applications submitted by students from non-EU countries (over 45,000), which is an important component of promoting the Romanian higher education abroad. In addition, the *StudyinRomania* mobile application is currently being developed - the first initiative of this kind at national level - and which will be intended for both potential students and for those who are already enrolled in Romanian universities, by providing specific facilities to this type of mobile applications.

Last but not least, from the perspective of supporting documents, in 2022 a new annual report shall be developed on monitoring the degree of internationalization of Romanian higher education, based on a methodology and data series from the ANS platform, as well as a document containing conclusions and recommendations for improving the efforts of universities in terms of the internationalization of higher education.

Moreover, in 2021 and 2022, universities have been financially supported to implement measures to increase the degree of internationalization of higher education, both by financial support granted through IDF for institutional projects in order to enhance the capacity of universities in the internationalization component, and by additional funding.

Creating and developing an open and accessible lifelong learning framework and developing qualifications system

In order to create and develop an open and accessible lifelong learning framework, the *Lifelong Learning Strategy* has been implemented¹⁵⁷.

¹⁵⁷ The total cost of implementing the strategy is estimated at approx. 1.35 billion euro

Romania has set a target of 10% adult participation in lifelong learning by 2020, but adult participation (25-64 years) in lifelong learning has remained at a level in 2020 extremely low (1.0%), compared to a participation rate of 1.3% in 2019, although a very slight increase compared to 0.9% in 2018. Prospects for the implementation of strategic provisions on lifelong learning will be supported by the *Educated Romania* presidential project through a series of dedicated measures.

MEd also continues its efforts to increase participation in lifelong learning in the area of its competences. Thus, in the period 2020-2023, MEd implements, as a beneficiary, in partnership with the National School of Political and Administrative Studies (SNPSA), the project *New tools for the national strategy on lifelong adult learning in Romania - Edu-C-Ad*, co-financed by the ESF through ACOP. Through this project, in 2021, a complex study of the regulatory framework at national and European level and of the public policies that currently regulate adult lifelong learning was conducted, and the organizational diagnosis of the key cognitive skills and competencies of adults in Romania, and their continuing education needs was run. The priorities for 2022 are to carry out the data collection for the pilot survey on 2,000 people for the calibration of the research instrument and the sampling framework according to international standards and to adjust the research instruments following the results of the pilot survey (term: Q4/2022), and the making of the acquisitions provided in the project (term: Q2/2022).

Under the ACOP project *Increasing the administrative capacity of ANC and MMSS through legislative systematization and streamlining in the field of qualifications*, with an implementation period of two years, two important activities started in March 2020 on the further implementation of the mechanism for recognition, validation and certification of prior learning outcomes namely: (1) the creation of single assessment tools for 30 occupations; and (2) the development of an IT application, including, on the one hand, the national assessment tool database and, on the other hand, to allow the online theoretical evaluation of the applicants.

Law No 307 of 22 December 2021 on the approval of *GEO No 96/2016 for the amendment and completion of some normative acts in the fields of education, research, professional training and health* was adopted. At the same time, it was approved the *Joint Order of the Minister of Education and the Minister of Labour and Social Solidarity No 3.001/39/2022 on the approval of the Methodology for allocating qualification for 1 to 5 qualifications levels from the National Qualifications Framework*, published in the OJ No 86 of 28 January 2022, having regard to the *Council recommendation of 22 May 2017 on the European Qualifications Framework for lifelong learning and repealing the recommendation of the European Parliament and of the Council of 23 April 2008 on the establishment of the European Qualifications Framework for lifelong learning*; the order regulates the legal framework for the allocation and description of qualification levels for qualifications levels from 1 to 5 in the NQF.

Also, it was issued *OM No 4492 of 29 July 2021 on the approval of the Methodology for the recognition of professional qualifications acquired in a formal, non-formal and informal learning at certified training providers/ certified competence assessment centres and/or other competent authorities in the Member States of the European Union, the European Economic Area, The Swiss Confederation, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the Republic of Moldova*, published in the OJ No 820 of 26 August 2021, which applies to those qualifications acquired in a formal, non-formal and informal learning that are obtained outside the national education system¹⁵⁸. ANC continues its efforts to align with European best practices, the following ANC actions being already implemented and/or under implementation phase:

- In 2021, the *Methodological Guide for the writing of higher education related curricula, based*

¹⁵⁸ By 31 March 2022, based on this methodology, 108 applications for the recognition of professional qualifications/ competencies were reviewed and, in January 2022, a certificate of recognition was issued for the qualification “Representation of construction projects” obtained in Spain - Madrid, code COR 311207, level 3 in the NQF.

on learning outcomes was developed - for the application and operationalization of the *Global Convention on the Recognition of Qualifications concerning Higher Education*, adopted in Paris on 24 November 2019 (Decree of the President of Romania No 175/2021 on the submission to Parliament for acceptance of the *Global Convention on the Recognition of Qualifications concerning Higher Education*, adopted in Paris on 25 November 2019 - OJ No 250 of 12 March 2021), having as results by 31 March 2022 a number of six model study programmes, developed based on this guide;

- By 31 March 2022, the operationalization of the *Methodological Guide for the development of tools for assessing professional skills based on learning outcomes* (specific to the field: *assessment of professional skills acquired informally/ informally*), completed in January 2021, has obtained the results below:
 - For eight occupations (out of a total of 30 occupations) with qualification levels: 1 NQF, 2NQF and 3NQF, learning outcomes based tools for assessing professional competences were developed and validated;
 - Specific procedures have been started for the further development of learning outcomes based tools for assessing professional competencies for a group of 13 occupations (associated qualification levels 1 to 3 in NQF), the related procedures being under implementation;
 - Vocational skills assessment tools based on learning outcomes aim, on the one hand, to standardize at national level the assessment and certification of skills acquired through non-formal/ informal learning and being, on the other hand, aligned with European trends and practices, while preparing, at the same time, the implementation of the future actions of the ANC to increase the level of digitization in this area.
- OM No 3,888 of 9 June 2021 for the approval of the *Methodology on the criteria and procedures for the evaluation and certification of professional competence evaluators, evaluators of evaluators, and external evaluator* was approved; thus, a consistent evaluation framework oriented towards quality and relevance was set up outlining a two-dimensional approach to the certification process of professional competence evaluators that can be used by professional competence assessment centres to evaluate skills acquired in other ways than formal ones by involving representatives of sectoral/ labour market committees.
- Through the project *Increasing the administrative capacity of ANC and MMSS through legislative systematization and streamlining in the field of qualifications*, the elaboration and/ or updating of occupational standards for a number of 250 unique occupations is carried out. 187 occupational standards were contracted, and 91 occupational standards were developed and approved.
- At the initiative of labour market specialists (exclusive project), another 20 occupational standards (OS) were developed and approved according to the law.

According to the regulations in force, based on the OS approved and published on the official website of the ANC, 49 professional qualifications have been developed and approved for inclusion in the National Register of Professional Qualifications, and another 12 are currently under approval procedure.

- The draft GD for the approval of the *Methodology for granting transfer credits for continuing vocational training for adults*, which will introduce a system for allocating credits for education and vocational training for qualification levels 1-5, according to NQF, was submitted on the approval circuit. The implementation of the transfer credit system shall improve the mobility of participants in VET courses, increase the transparency of the adult education and training system, facilitate and encourage lifelong learning, and increase labour mobility, both at national and European level.

A new legislative package for Education is currently being drafted. The main regulations in the draft law aim at transposing the provisions of the *Educated Romania* project, having the month of June 2022 as deadline for submission to the government session for approval.

The measures presented in this chapter can contribute to the fulfilment of SDG 4 and SDG 8.

4. PROGRESS TOWARDS UN'S SUSTAINABLE DEVELOPMENT GOALS

The Department for Sustainable Development (DDD)¹⁵⁹ functions under the Prime Minister since 2017, within the government apparatus, with the main role of coordinating the implementation of the **UN 2030 Agenda for Sustainable Development** and the **National Sustainable Development Strategy of Romania 2030 (NSDSR)**. In 2018, the DDD revised the NSDSR¹⁶⁰, in line with the 17 Sustainable Development Goals (SDGs) adopted by the UN's 2030 Agenda for Sustainable Development.

In addition, *the Interdepartmental Committee for Sustainable Development* was established by GD No 272/2019; it is composed by members of the Government and chaired by the Prime Minister. The Committee monitors the process of implementing, monitoring, evaluating and reviewing for this strategy and ensures coherence in the process of drafting and promoting normative acts regarding sustainable development, by public authorities and institutions with responsibilities in implementing the 2030 Agenda at national, regional and local level. The Department had also the initiative to establish the Sustainable Development Hubs at the level of central authorities/ ministries.

To follow the implementation of NSDSR, DDD is the beneficiary of the SIPOCA 613 project financed from the ESF, *Sustainable Romania - Development of the Strategic and Institutional Framework for the Implementation of NSDSR 2030*¹⁶¹. Within the project, DDD developed the *Action Plan for NSDSR Implementation*, through close consultation with civil society, academia, and the private sector. The Plan was submitted to the ministries for consultation, to be adopted by Government Decision.

Within the *Project of Enhancing Policy Coherence, Transparency and Coordination at the Centre of the Government in Romania*, funded by the EC Technical Support Instrument, carried out in the period 2022-2023, the OECD provides DDD support for the coordination and implementation of the action plan.

On 14 February 2022, the set of national sustainable development indicators 2030 (NSDI), which correspond to the 17 SDGs transposed at national level through NSDSR, was finalized through collaboration with the National Institute of Statistics. The set of indicators is the result of a complex process of analysis and public consultation.

In February 2022, the Advisory Board for Sustainable Development¹⁶² validated the NSDI set and the reporting mechanism. The set comprises a total of 291 indicators, of which 243 are unique indicators. Out of the total proposed indicators, 99 are main indicators and 192 additional indicators. NSDIs are spread over the three dimensions of sustainable development (social, economic and environmental), respectively allocated to the 17 SDGs.

Within *SIPOCA 613 - Sustainable Romania Project*, DDD also drafted *the Romanian Sustainability Code*, in order to increase the transparency of non-financial reporting by the entities covered by the provisions of *MFP Orders No 1938/2016, No 3456/2018 and No 1239/2021 on amending and supplementing some accounting regulations*, partially transposing the provisions of *Directive 2014/95/EU amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large enterprises and groups*, referring to environment,

¹⁵⁹ By GD No 313/2017 on the establishment, organization and functioning of the Department for Sustainable Development

¹⁶⁰ Approved by GD No 877/2018

¹⁶¹ SIPOCA 613 project; implementation period: 48 months, as from August 2019

¹⁶² The Advisory Council for Sustainable Development was established based on GD No 114/2020, in order to propose the initiation and elaboration of programmatic documents and methodologies for the implementation of NSDSR 2030

social and personnel issues and on human rights, the fight against corruption and bribery. This standardized framework will allow benchmarking, bench-learning, to ensure transparency and accountability both for the entities that are obliged to prepare those reports and for other entities that wish to prepare the voluntary reports. Also, SGG (through DDD) is designing the occupational standard of *sustainable development expert*, and is creating the possibility for higher education institutions to conduct postgraduate courses related to this new occupation. Through this type of professional training, public administration staff will be able to improve themselves and to ensure coherence in the governmental act and strategic planning for sustainable development, at the level of central and local administration in Romania. In May 2022, SGG (through DDD) starts the training for the “sustainable development expert” occupation, for 150 people from public institutions at central level.

The Programme of Career Development for the Sustainable Development Expert Occupation will be further funded by NRRP. Thus, by 2025, the training of 2,000 civil servants from public institutions at central and local level is planned.

NRRP comprise other measures that will support the whole government's approach to encouraging coherent and transformative policies, as well as its commitment to a deep integration of the SDG into horizontal policies and instruments, through more coordinated regulation at central, regional and local levels, and through the professionalization of public administration staff in the sustainable development field (Excellence Centre for public administration in the sustainable development field and One-stop-shop Romania 2030 - Virtual Resource Centre for "locating" SDGs).

Within the milestone 401 of NRRP which targeted the entry into force of the methodologies and procedures to improve public policy rationale and planning and administrative simplification, in Q1/2022, the following legislative acts entered into force:

- *GD No 379/2022 on the approval of the Methodology for the development, implementation, monitoring, evaluation and updating of government strategies;*
- *GD No 443/2022 on the approval of the content of the presentation and motivation tool, the structure of the report on the implementation of normative acts, the methodological instructions for conducting the impact assessment, as well as for the establishment of the Advisory Board for assessing the impact of normative acts.*

These two decisions complete the institutional and legal framework for the integration of sustainable development objectives in public policies, for the coherence of public policies for sustainable development. At the same time, the new decisions facilitate the implementation of tools for monitoring the SDGs and for measuring and estimating the impact of government measures on sustainability.

Between 2022 and 2023, DDD coordinates Component 1 of the project *Capacity building in the field of public governance - a coordinated approach of the Centre of the Government of Romania*, funded by Norway Grants, which will support the fulfilment of the SDG by strengthening coordination capacity at the Centre of the Government to ensure policy coherence for sustainable development.

Eurostat monitoring of progress towards the SDGs¹⁶³ shows that Romania is moving towards achieving SDGs 1, 2, 3, 8, 9, 11, 13, 15, 16 and 17.

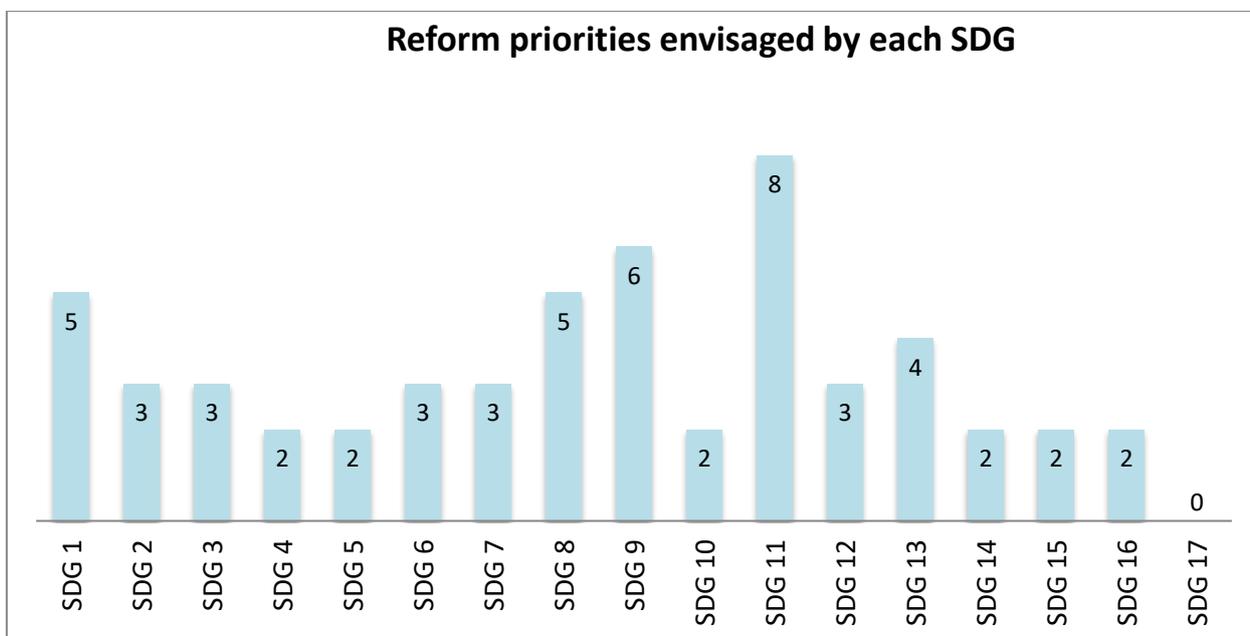
The following table shows the reforms impact correlated with the SDGs; this impact will be measured with the entry into force of the new set of National Sustainable Development Indicators (NSDI).

¹⁶³ <https://ec.europa.eu/eurostat/cache/infographs/sdg-country-overview/>

SDG - Reform Priorities Correlation

SDG No	Reform Priorities											No of reform priorities envisaged by each SDG
	3.1. Fiscal and budgetary policy and financial stability	3.2. Green transition		3.3. Digital transformation	3.4. Business environment and competitiveness			3.5 Labour market, social inclusion and combating poverty	3.6. Health	3.7. Strengthening administrative capacity and other governmental	3.8. Education and skill	
		3.2.1. Environment and climate change	3.2.2. Energy		3.4.1. Creating a favourable environment for public and	3.4.2. Transport	3.4.3. Research, Development and Innovation					
1		✓		✓	✓			✓	✓			5
2		✓						✓	✓			3
3		✓						✓		✓		3
4								✓			✓	2
5								✓	✓			2
6		✓	✓					✓				3
7		✓	✓					✓				3
8	✓			✓	✓			✓			✓	5
9		✓	✓	✓	✓	✓	✓					6
10								✓	✓			2
11		✓	✓	✓	✓	✓		✓	✓	✓		8
12		✓	✓		✓							3
13		✓	✓		✓		✓					4
14		✓					✓					2
15		✓	✓									2
16				✓						✓		2
17												0

Reform priorities envisaged by each SDG



5. INSTITUTIONAL ISSUES AND STAKEHOLDER INVOLVEMENT

Elaboration of 2022 NRP

The European Semester 2022 has been adapted to the implementation of RRF, so as to avoid the overlapping and make the best of the existing synergies to remove unnecessary administrative burden.

In this context, the elaboration process of the 2022 NRP had a special nature, given the need to ensure the **complementarity with NRRP**, a strategic document that establishes the investment priorities and reforms focused on recovery and sustainable growth. Consequently, this process was **managed by the two national coordinators** - MFA, for the European Semester, and MIPE, for NRRP, with the involvement of a significant number of institutions from the central public administration.

The **structure of the 2022 NRP** is aligned with the pillars under the scope of application of the *Regulation establishing the Recovery and Resilience Facility* and it is also in line with the European Commission's *Guidance on the content and format of NRP*. Thus, the 2022 NRP **ensures the continuity** with the previous Programme, by combining the actions already undertaken and highlighting their progress, as well as the steps to be followed, with proposals for new actions (other than those covered by NRRP), defined while taking into account the priorities set at EU level and those from the Government's Programme or other national strategic documents of sectoral nature.

In fact, the 2022 NRP describes the *macroeconomic context and scenario, the reform priorities*, underlining the following key sectors: *fiscal-and budgetary policy, banking and financial stability, green transition* (environment, climate change and energy), *digital transformation, business environment and competitiveness* (public and private investment, transport and RDI), *labour market, social inclusion and combating poverty, health, administrative capacity, education and skills*. The measures taken at the national level to achieve the UN Sustainable Development Goals are addressed in a separate chapter.

Annexes on: (i) the main developments made in 2021 in the implementation of the response measures to 2019, 2020 and 2021 CSRs (table extracted from the Commission's electronic database, **CeSaR**), (ii) the NRRP state of play (table extracted from the Commission's electronic database, **FENIX**), (iii) the main measures for implementing the principles of the **European Pillar of Social Rights** are also available in NRP.

Overall, the 2022 NRP aims to ensure the continuity of reforms from the previous period, with the addition of new commitments and measures to meet the current challenges, including in terms of post-pandemic economic and social recovery.

As in previous years, the 2022 NRP's draft was submitted to the public authorities involved in the implementation process for the purposes of consultation and validation; then, it was subject to the Government's approval, on a Memorandum basis.

Stakeholder consultation on the 2022 NRP's draft

To provide an overview of the European Semester and its subsumed processes, but also to ensure transparency in the communication process, data on this topic are available on the MFA website. From the perspective of collaboration with the Romanian Parliament, MFA constantly provided the Chamber of Deputies and the Senate with written information on the defining documents of the European Semester. At the same time, the contributions made in response to the Parliament's requests covered the elaboration of the documentary files in order to participate in those events dedicated to the European themes, with a focus on the Semester.

To consolidate the dialogue with the social partners and the civil society in general, the relevant

stakeholders at the national level (trade unions, employers' organisations, NGOs, think-tanks etc.) were consulted on the 2022 NRP's draft, via e-mail communication, in the first half of May 2022.

Elaboration of NRRP and stakeholder consultation

The elaboration of NRRP was carried out following a public consultation process initiated by MIPE in January 2021; numerous meetings and inter-ministerial technical consultations were held within it for developing/updating the Plan, in order to bring it into line with the published version of the *Regulation (EU) No 2021/241 establishing the Recovery and Resilience Facility*. The public consultation started after the approval, by the Government, of the Memorandum on the *Mechanism to elaborate the position of the Government of Romania regarding the National Recovery and Resilience Plan*.

Following the 13 public debates organized, MIPE received 1,700 proposals for reform and investment sheets, of which 1,470 as a result of the public consultation. Each of these was analysed and/or submitted to the line ministries in order to be integrated into their reform and investment proposals, which were included in the final NRRP document.

To ensure the involvement of the social partners and the civil society in monitoring the progress made by the NRRP and the reforms, an inter-institutional body, with an advisory, information and debate role, without legal personality, called the *Monitoring Committee of NRRP (CM PNRR)*, was set up; it is chaired by a President, who is represented by the Minister of European Investment and Projects and it comprises an odd number of members, representing:

- NGOs selected by MIPE through a call for applications, based on their degree of representativeness;
- Trade Unions;
- Employers' organisations;
- Associative structures of the local public administration: the National Union of County Councils of Romania, the Municipalities Association of Romania, the Association of Cities of Romania and the Association of Communes of Romania;
- Other associative forms of general interest, established according to the law.

Moreover, the Investment 3 *Creating local partnership structures between the local authorities and the civil society*, under the Component 14 of NRRP *Good Governance*, aims at improving the stability, the predictability and the support of the partnership in the public policy-making process through (i) invigorating the working partnerships between the public administration and the civil society; (ii) improving the participation and the active involvement of the citizens in the decision-making process, while increasing the digitization of the NGOs sector, as a prerequisite for improving the quality and the predictability of the decision-making, with a positive impact on the quality of the public services provided to citizens and business environment.

According to the provisions of the Article 28 of the Regulation (EU) No 2021/241 and those of the legal commitments concluded between the EC and Romania, an annual event will be jointly organized, with the participation of those responsible for implementing NRRP and other relevant stakeholders, to discuss the complementarity, the synergy and the coherence between the implementation of NRRP and the other EU programmes. In addition, this event can be used as a horizontal platform for the exchange of views on the state of play of NRRP, in order to ensure a close cooperation between all the stakeholders concerned.

Within the Article 30, the RRF Regulation also stipulates the *creation of a Scoreboard on recovery and resilience*, which presents the progress made in the NRRPs implementation of the Member States in each of the six pillars foreseen in the Article 3 of the Regulation. This Scoreboard is a Facility-specific reporting system in terms of performance. A similar Scoreboard is provided by MIPE to present in real time the progress on the implementation of the NRRP measures.

REPORTING EXTRACTED FROM THE EC'S ELECTRONIC DATABASE CESAR ON THE IMPLEMENTATION OF THE COUNTRY SPECIFIC RECOMMENDATIONS

2021.CSR1

2021.CSR1.Subpart1: Pursue fiscal policies in line with the Council Recommendation of 18 June 2021 with a view to bringing an end to the situation of an excessive government deficit in Romania

Measures

The Council Recommendation of 18 July 2021 (EDP Recommendation) stipulates **public deficit targets of 8.0% of GDP in 2021, 6.2% in 2022, 4.4% in 2023, and 2.9% in 2024**, in line with the national targets set in the Fiscal Strategy for 2020-2022, in force at that moment.

On 14 October 2021, the Romanian authorities reported on the measures adopted in response to the revised recommendation, stressing the fact that the budget for 2021 contained measures on adjusting the deficit, as well as measures on further supporting the economy in the pandemic context. The budgetary deficit target approved initially for 2021 was 7.16% of GDP, being marginally adjusted during the budgetary rectification (to 7.13% of GDP, cash).

On 24 November 2021, the EC published its Communication on the assessment of action taken by Romania in response to the Council Recommendation of 18 June 2021, concluding that, for that moment, **no supplementary measures were necessary in the context of the excessive deficit procedure, as the intermediary objective for 2021 had been reached.**

The execution of the general consolidated budget ended in 2021 with a cash deficit of 80.0 billion Lei (6.72% of GDP), representing a decrease from the 101.8 billion Lei deficit registered in 2020 (9.61% of GDP).

The budget for 2022, adopted by the Parliament on 23 December 2021 and promulgated by the President on 28 December 2021, was built on a cash deficit target of 5.8% of GDP and an **ESA deficit target of 6.2% of GDP, in line with the EDP Recommendation**. The medium-term fiscal strategy is also in line with the Recommendation. The main fiscal related measures aiming at **reducing budget expenditures in 2022 cover three main directions:**

- a. Maintaining the gross basic salaries/ bonuses/ allowances/ calculation basis for certain benefits at the level granted in December 2021, for the majority of the budgetary staff;
- b. Not granting gift or cultural vouchers, prizes, retirement allowances for the budgetary staff;
- c. Extending until 2023 the legal provisions on minimum budgetary allocation of a percentage of GDP for certain sectors and of some aids/ incentives for social/ disadvantaged categories.

The main medium-term objectives of the fiscal policy are:

- Regarding *profit tax/ income tax for micro-enterprises/ activity-specific tax*:
 - Gradually reducing the scope of special tax regime for micro-enterprises;
 - Swiftly transposing the provisions of BEPS global initiative on avoiding tax base erosion and profit transfer;
 - Including, in the production costs of companies, only the expenses related to the economic activity directly generating income, according to practice from the developed European countries;
 - Extending the suspension of fiscal facilities for early education expenditures until 31 December 2022;
- With regard to *other direct taxes in the field of natural resources*:
 - Extending, until 31 December 2025, the term provided in art. 6 of the Government Ordinance No 6/2013 on setting special measures for taxing natural resources exploitation, approved with amendments and completions by Law No 261/2013;
- Regarding *tax and compulsory social contributions related to the income made by individuals*:
 - Eliminating the facility of exempting from paying the social health insurance contribution for retired individuals, for pension incomes exceeding 4,000 Lei;
 - Reintroducing withholding tax, addressing labour tax reduction, especially for the low income earners;
 - Gradually reducing tax incentives for the construction sector staff (2025 - 2028).

2020.CSR1

2020.CSR1.Subpart1: Pursue fiscal policies in line with the Council's recommendation of 3 April 2020, while taking all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery.

Measures

Note: Details regarding the measures on the excessive deficit procedure are available in the section referring to the implementation of 2021.CSR1.

During 2020 - 2021, the Romanian Government took a set of measures for mitigating the negative impact of the pandemic on companies and households such as: furlough schemes, granting tax facilities for returning from furlough period, postponing tax payments, granting bonuses for tax payments, maintaining access to finance by guaranteeing loans to companies (SME Invest Programme), moratoria for individuals and legal entities affected by the crisis, facilities for day labourers and self-employed persons, exempting certain activities (HoReCa) from tax payments, postponing VAT payment in customs for imports of medicines/ medical devices used in the context of COVID-19, suspending enforcement measures for budget receivables etc.

Most of the measures aiming to protect the incomes of the population and companies in the sectors affected by the pandemic **continue, at least in part, in 2022**. In addition, the following measures are planned for 2022:

- Financing the state aid for restructuring the power company Energetic Complex Oltenia - S.A., through the budget of the Ministry of Energy (approved by the EC on 26.01.2022);
- Introducing a support scheme for the payment of electricity and natural gas bills of non-household consumers, namely small and medium-size enterprises, micro-enterprises, self-employed, individual enterprises, family enterprises, through the budget of the Ministry of Energy;
- Granting an individual state aid for restructuring the Romanian National Air Transport Company TAROM S.A., as well as for the National Railroad Company CFR Calatori S.A. (the last being approved by the EC on 08.02.2022), to compensate for the losses incurred as a result of COVID-19 pandemic, through the budget of the Ministry of Transport and Infrastructure.

In response to the special situation created by the pandemic, the National Agency of Fiscal Administration (ANAF) developed an ***Operational Plan for Revenue Recovery***. The main measures of the plan aimed at supporting taxpayers facing financial hardship, maintaining the tax compliance level and ensuring the safety of operations for both personnel and taxpayers. The document is structured on three chapters: *measures on safeguarding revenue*, containing measures within ANAF's priority areas, such as risk management, voluntary compliance, tax collection and control; *ensuring the availability of services for taxpayers*, containing measures aimed at improving communication with taxpayers and facilitating taxpayers' migration to an electronic environment; *measures to support business processes* aimed at securing business continuity, safety and health of staff and taxpayers.

Note: Details regarding other measures on strengthening tax compliance and collection are available to in the section on the implementation of 2019.CSR1.Subpart3.

2020.CSR1.Subpart2: Avoid the implementation of permanent measures that would endanger fiscal sustainability.

Measures
Please refer to the measures included in the context of 2019.CSR2.Subpart2.
Please refer to the measures included in the context of 2020.CSR1.Subpart1.

2020.CSR1.Subpart3: Strengthen the resilience of the health system, including in the areas of health workers and medical products, and improve access to health services.

Measures

One of the priorities formulated in the Government Programme 2021-2024 is the resilience of the health system. In that regard, as of 2020, the actions taken to contain the effects of the COVID-19 pandemic on the health system have continued.

These actions aimed at: preparing hospitals to provide healthcare to patients tested positive with SARS-CoV-2; elaborating the surveillance methodology of COVID-19, drafting normative acts, protocols, measures of prevention and control of the disease in different economic sectors; monitoring the COVID-19 outbreaks in medical facilities, residential centres, educational establishments, production units, community; carrying out risk assessments by the Public Health Directorates (DSPs) in different Territorial and Administrative Divisions (TADs) in order to establish/ extend/ lift the quarantine measures; purchasing the equipment and reagents necessary to manage the infections with the new virus for several county hospitals, including from the structural funds available under the project *Improving the quality and efficiency of the health system*.

By mid-May 2021, more than 900 vaccination centres were operational, and by the early 2022, more than 8 million people had already been vaccinated against COVID-19 with at least one vaccine dose.

In 2022, testing at family physicians was extended, with more than 4,000 family medicine practitioners and public or private testing centres running rapid testing. In order to increase the access of patients infected with COVID-19 to medical services, 217 evaluation centres were established, as operational structures organized within health facilities equipped with beds, making the diagnosis and applying treatment of patients in the outpatient system, thus decreasing the number of hospitalized patients infected with COVID-19.

The Romanian institutions/ authorities involved in combating the pandemic were supported through EU funding to purchase medical and protective equipment for the medical staff using this equipment, as well as for the medical staff involved in treating the patients infected with the coronavirus.

Following the approval by the EC of the Decision C(2021) 6449 from 27.08.2021 amending the Large Infrastructure Operational Programme 2014-2020, the amounts related to ERDF REACT-EU, amounting to approx. 484 million Euro for 2021, were allocated under the new thematic objective *Supporting the mitigation of the effects of the crisis amid the COVID-19 pandemic and its social consequences, and preparing a green, digital and resilient recovery of the economy*. Thus, amounts through the REACT-EU ERDF are allocated under the new Priority Axis (PA) 10 - Protecting the health of the population amid the health crisis caused by the COVID-19 virus, increasing energy efficiency and the use of the renewable energy sources for health and energy sectors. In 2021, the amount of 283.88 million Euro was allocated to the Specific Objective 10.1 dedicated to the protection of the health of the population to mitigate the effects of the crisis and its social consequences. In this respect, the eligible projects submitted within the calls related to PA 9 SO 9.1, but which do not benefit from allocation on this Priority Axis, was transferred for funding to PA 10 SO 10.1 - Supporting the mitigation of the effects of the crisis amid COVID-19 pandemic and its social consequences, thus

continuing to fund measures on combating the pandemic in the public health units and public educational establishments, and increasing the safety of patients in public hospital facilities using medical fluids.

As from 2020, the Romanian Government also designated two public institutions i.e. the Department for Emergency Situations within the Ministry of Internal Affairs (MAI-DSU), which has the role of operational coordination in the management of epidemic risk types, as well as the National Office for Centralized Procurement (ONAC) - the centralized procurement body - to carry out the award procedures for concluding framework agreements in order to cover the needs for emergency medical supplies stocks, as means for strengthening the resilience of the health system in emergency situations. By 10 February 2022, approx. 130 framework agreements for the supply of medical products were concluded to cover the needs of emergency medical supplies.

Note: This information should be correlated with the details provided in the section referring to the implementation of 2019.CSR.3 on health.

2020.CSR2

2020.CSR2.Subpart1: Provide adequate income replacement and ...

Measures

Subsidising the business environment, employees and other income earning categories during the activity decreasing or the temporary suspension of the individual employment contract or activity:

(1) Temporary layoff - an incentive amounting 75% of the basic salary corresponding to the job position, but not more than 75% of the average gross salary used to substantiate the State social insurance budget for 2020, 2021, and 2022 - 104,774 beneficiaries in 2021. In 2020, through #SPER project - SUPPORT FOR EMPLOYERS AND EMPLOYEES, over 1 million people were granted temporary layoff benefits (GEO No 30/2020).

(2) Granting temporary layoff benefits to employees whose individual employment contract is temporarily suspended in the context of the current crisis in Ukraine, the Russian Federation and Belarus (GEO No 36/2022).

(3) Professionals as regulated by the Law No 287/2009 on the Civil Code; individuals earning income from copyright and related rights as regulated by the Law No 8/1996 on copyright and related rights; persons who concluded individual labour agreements as regulated by the Law No 1/2005 on organizing and functioning of the cooperation enterprises may benefit by a monthly incentive amounting 75% of the average gross salary, paid by the State Budget through the Ministry of Labour and Social Solidarity (MMSS)'s budget. Persons employed by a contract of sport activity benefit by an incentive of 75% of the salary rights related to the sport activity, but not more than 75% of the average gross salary provided by the Law No 16/2021, if the initiative to suspend the sports activity contract belongs to the sports structure. By 31 March 2022, these persons benefited by an incentive of maximum 75% of the average gross earnings as a result of the work cessation due to the pandemic. If, after resuming activity, the incomes were lower than before, an incentive of 41.5% of the average gross salary was granted during the state of alert and for another three months after its cessation.

(4) Incentives granted in the case of the activity cessation caused by the effects of

the pandemic (during January - November 2021) - 11,521 beneficiaries, of whom 5,489 people earning an income from copyright and related rights, 115 persons having concluded individual labour contracts as regulated by the Law No 1/2005 on organizing and functioning of the cooperation enterprises, 5,731 other professionals, 122 persons having a sport activity contract concluded with public sports entities, and 63 persons having a sport activity contract concluded with private entities.

(5) Incentives granted in the case of the activity reduction caused by the effects of the pandemic (during 1 January - 30 September 2021) - approx. 37,282 beneficiaries, of whom 974 people earning income from copyrights and related rights, 932 lawyers, 1,633 persons having individual labour contracts as regulated by the Law No 1/2005 on organizing and functioning of the cooperation enterprises, 28.239 other professionals, 6,478 day labourers.

(6) Payment of an incentive amounting to 75% of the basic salary equivalent to the hours reduced from the working schedule, in the case of a reduction not more than 80% of the daily, monthly or weekly working time during the alert state, and another three months after the termination thereof - 113,248 beneficiaries in 2021.

(7) As from 1 January 2022, the minimum gross basic salary, established as a social protection measure, is paid to an employee for maximum 24 months after the conclusion of the individual employment contract. Once that period expires, the employee is paid a basic salary higher than the minimum gross basic salary.

(8) Regulation of medium and long term measures for protecting and supporting the employees, so that they benefit by the due salary rights, namely the payment of the social security contributions in accordance with the real salary they receive from employers.

2020.CSR2.Subpart2: ...extend social protection measures and...

Measures

(1) Parents may benefit by remunerated days off, getting an incentive of 75% of the basic salary equivalent to a working day, but not more than 75% of the average gross earnings, for each day off, in the case of suspension of classes with physical presence. The measure applies until the end of the 2021 - 2022 school year, excluding school holidays.

(2) Increasing the child state allowance - by 1 January 2021, the allowance increased to 214 lei for children aged 2-18 years old and young people who reached the age of 18 and attend high school or the vocational education, and to 427 lei for children aged 0-2 or up to 18 years for disabled children; In 2021, the average monthly number of beneficiaries was 3,595,276 children, of whom 317,740 children aged 0-2, with or without disability, 5,054 disabled children aged 2-3, 3,201,452 children aged 2-18 without disability and young people aged over 18, as well as 71,030 disabled children aged 3-18.

As of January 2022, the child state allowance has been established at 600 Lei for children up to 2 years old, or disabled children up to 3 years old. The amount is 243 lei for children aged 2 - 18 years old and young people who reached the age of 18 and attended high school or vocational education classes organized in accordance with the law, until their completion. The same amount is granted to disabled youth

attending pre-university classes organized in accordance with the law, but not exceeding the age of 26. In the case of a disabled child aged 3-18, the state allowance is 600 lei. By January 2023, the child state allowance shall be updated annually, ex officio, with the average annual inflation rate.

(3) Compensatory indemnity granted, only once in January 2022, to the disabled persons (350 lei for an adult with severe disability, 265 lei for an adult with an accentuated disability and 60 lei for a person with a moderate disability, 300 lei for a child with a severe disability, 175 lei for a child with accentuated disability, and 60 lei for a child with moderate disability).

(4) Increasing the pension point and the social allowance for retired persons - as of 1 January 2022, the social allowance for retired persons has increased to 1,000 lei, and the value of the pension point has increased to 1,586 lei.

(5) Reducing the risk of social exclusion for a vulnerable category of retired persons - in January 2022, a financial aid was granted to retired persons of the public pension system with pensions less than or equal to 1,600 Lei, so that they benefit by an income of 2,200 lei.

(6) The Fund for European Aid to the Most Deprived (FEAD) supported the assistance delivered to disadvantaged people, providing food support to 8,679,413 beneficiaries and basic material assistance to 1,121,954 beneficiaries.

(7) National support scheme for the most disadvantaged pupils, funded by FEAD - children attending a form of public pre-school education and living in a family whose minimum monthly income per family member is up to twice the level of the minimum guaranteed income for a single person, and pupils enrolled in primary or lower secondary education, day classes, living in a family whose average monthly income per family member is no more than 50% of the minimum gross basic salary benefit by e-vouchers for social inclusion.

(8) Mother - new-borns couples who are in situations of vulnerability and who are at high social risk will receive new-born kits.

(9) As of 1 March 2022, the value of the unemployment benefit increased due to updating the Reference Social Index (525.5 lei) with the average annual inflation rate from the previous year, according to Law No 225/2021 on amending and supplementing the Law No 76/2002 on the unemployment insurance system and employment stimulation.

2020. CSR2.Subpart3: ...access to essential services for all.

Measures

Access to social services

(1) In January 2022, 3,687 social service providers were accredited, out of which 1,253 public providers and 2,434 private providers; 5,209 social services are licensed in accordance with the minimum quality standards.

(2) Through the programme subsidizing the Romanian associations and foundations with legal personality, which establish and manage social assistance facilities in accordance with the Law No 34/1998 - in 2020 and 2021, subsidies amounting to

roughly 48 million Lei were granted to 61,818 vulnerable people who benefited from the subsidized social services.

(3) In 2020 and 2021, funds were allocated through the State Budget, from the amounts deducted from VAT, amounting to 28.383 million lei in order to finance the operational expenses of county care houses for elderly, and 81.844 million lei to finance the operational expenses for elderly care houses located in villages, cities, municipalities, districts of Bucharest and Bucharest municipality.

(4) Support services for crime victims - during 2019 - 2021, the General Directorates of Social Assistance and Child Protection developed 25 support and protection services for crime victims; in 2020, 1,739 crime victims received information, and benefited from psychological and legal counselling services.

(5) Strengthening the public network of community-based social assistance - 171 people within the social assistance sector benefited by programmes of good practice exchange, and 357 territorial and administrative divisions (TADs) were supported (out of which 37 staffed with a social assistance expert are supported for licensing their social services).

(6) Integrated delivery of social, medical and educational services - by January 2022, 429 specialists from the integrated intervention community teams were recruited (of whom 54 social assistants, 51 social workers, 129 community nurses, 17 medical mediators, 95 school counsellors, and 83 school mediators). The experts work within integrated community-based services (ICSs) in 116 rural and small-urban communities facing above average and severe marginalization. Moreover, 108 tools/ procedures/ mechanisms were validated and used to deliver ICSs, out of which 66 for social assistance, 16 for community healthcare, and 26 for education. Additionally, 101 social workers participated in training courses on the use of social assistance tools. Community-based services were delivered in 89 territorial and administration divisions where at least one social expert (social work assistant or social worker) is employed.

(7) Poverty reduction and social and economic integration of people from marginalized communities, including those populated by Roma (funded through 2014-2020 ESF) - 60,512 people from vulnerable groups received integrated services, 464 services were rendered operational, and 107 marginalized communities populated with Roma were supported. Moreover, people at risk of poverty or social exclusion from marginalized communities were supported, of whom 37,191 people from rural areas and 26,003 Roma. *Note: Progress on investments funded by NRRP and dedicated to the development of marginalized communities will be reported under NRRP.*

(8) Local Development, Poverty Reduction and Increasing Roma Inclusion Programme funded by 2014-2021 EEA and Norwegian Grants (81 million lei) aims at: improving Roma inclusion and empowerment, social inclusion of children and young people at risk, increasing the use of social services by disadvantaged groups, improving the know-how of central and local governments to implement the principles of good governance and improving the implementation of the recommendations issued by the European Court of Human Rights for Romania - 71 projects under implementation; eight projects were completed; the contracts for some project applications (submitted under three calls for proposals opened in 2021 are to be completed in Q2/2022 (i.e. on Roma inclusion, access to finance, and interventions in disadvantaged areas).

(9) The implementation of Law No 273/2004 on the adoption procedure and the continuation of the monitoring of adoption process and case management has

increased significantly the number of adoptions, certified families, and the adoptable children. In 2022, according to projections, Romania may reach a high number of adoptions, i.e. over 1,600 adoptions, given that the average number of adopted children was 1,225 over 2017-2020 timeframe. The number of the adoptive families increased from 2,871 in January 2021 to 3,119 in December 2021, and the number of the adoptable children increased significantly from 3,309 in early 2021 to 5,797 by the end of 2021.

(10) The 2021-2027 National Strategy for the Protection and Promotion of Children's Rights was drafted. It meets the broad guidelines of the Council Recommendation Establishing a European Child Guarantee and it is in line with the strategic planning process at national level concerning social inclusion and poverty reduction, ensuring the rights of persons with disabilities, education, health, and justice. A large part of the Strategy measures will be included in the National Plan on the Child Guarantee Implementation, whose development has already started. The children, as beneficiaries of the Strategy, were involved in the process. For instance, 21 children representing organizations that promote children's rights and their participation in the decision-making were included in the inter-institutional working parties, and the opinions expressed by Romanian children in the consultation process of the 2021-2024 EU Strategy on the Rights of the Child were capitalized.

(11) The National Support Programme for Children "Caring for Children" adopted in 2021 aims at protecting the psychological and emotional integrity of children by creating the assessment and intervention mechanisms to ensure their mental health during the pandemic and post-pandemic. A multidisciplinary prevention and intervention mechanism was developed to deal with any form of abuse, neglect, exploitation, and violence against children; appropriate skills, unitary tools, and working procedures were provided to the specialists who, in the exercise of their duties, interact with different categories of children. As of 5 January 2022, through this programme, the hotline 119 has been established and rendered operational for the first time at national level. This hotline ensures a unique channel for reporting these situations, but also guides and supports all those who need such information.

(12) Development of the foster care network (financed under 2014-2020 ESF) - the activities of recruiting, evaluating, certifying and hiring the foster parents have continued, so that the total number of new employees reached 2,593 foster parents who provided care to 4,485 children, of whom 519 disabled children, by the end of December 2021.

(13) The draft law regulating several protection measures for people with intellectual, psychological, and social disabilities was adopted in the Government session on 10 December 2021. The law aims at bringing the legislation (Civil Code, Civil Procedural Code and certain provisions of special laws) in line with the Romanian Constitution, according to the Decision of the Constitutional Court No 601/2020 on the exception of unconstitutionality of the provisions of art. 164 para. (1) of the Law No 287/2009 on the Civil Code. The purpose is to re-establish the rules for protecting individuals with intellectual, psychological, and social disabilities through the civil law, on modern grounds, based on international regulations and comparative law resources. The draft law regulates several legal instruments in order to cover the whole range of intellectual, psychological, and social disabilities, by setting-up a support measure (assistance for concluding legal acts), which does not impair the capacity of the beneficiary. Moreover, other two measures concerning the restriction (proportional, gradual, time-limited and individualized) of the capacity to exercise and a private mean of protection (the mandate of protection) are regulated. The legislative approach places the recipient in the centre of the support/ protection regime, and it

emphasizes the respect for dignity, rights and freedoms, will, needs and preferences, as well as the safeguarding of autonomy. The goal is to tackle the social exclusion and discrimination, as well as to encourage the active participation of protected persons in the civilian life, or their social and economic (re)integration with beneficial effects, including on their health condition.

(14) Encouraging the social and professional integration of disabled people - authorized sheltered facilities established by the organizations of these persons would perform sales and/or intermediation activities, provided that min. 75% of the gained profit would be allocated to programmes for this purpose, and the intermediation activities targeted only products and/or services provided by another authorized sheltered facilities.

(15) Facilitating the labour market insertion of disabled people - funds allocated for acquiring assistive technologies by disabled people; 544 vouchers were issued by the end of December 2021, out of which 286 vouchers were paid for; 1,480 disabled people were included in the target group and benefited from professional guidance and counselling services, employment mediation or vocational training; 440 people were employed.

(16) Deinstitutionalizing disabled adults and ensuring the transition of young disabled from the special child protection system to the protection system for disabled adults - the process of restructuring the centres for disabled people continues, and the implementation timeline of the programmes was extended until the end of 2022.

(17) Establishing social services such as day care centres, respite care centres/crisis centres and sheltered housing for the deinstitutionalisation of disabled persons accommodated in old institutions and preventing the institutionalization of disabled persons in the community - in 2021, seven respite care centres were proposed to be established; 39 projects are under implementation, out of which for six projects the contracts were concluded in 2021; establishing social services in order to ensure the transition of young disabled from the special child protection system to the protection system for the disabled adults - 15 projects are under implementation; the programmes were financed through the State Budget and implemented by the National Authority for Protecting the Rights of Persons with Disabilities.

(18) Deinstitutionalizing children and establishing social services such as day care centres and sheltered housing for disabled people (projects financed under ERDF through 2014-2020 ROP): for disabled people - 22 project applications were submitted, out of which 18 were contracted; for children - 92 project applications were submitted, out of which 40 were contracted.

Note: Progress on investments financed by NRRP and aimed at improving the population's access to social services will be reported under NRRP.

Access to essential services

(1) Law No 226/2021 on establishing social protection measures for the vulnerable energy consumer - by 31 December 2021, incentives were granted for home wood stove-based heating to 409,124 beneficiaries, and for natural gas and electricity based house central heating were granted to 10,395 beneficiaries.

(2) Complementary protection measures for the population facing certain difficulties related to the payment of costs caused by price rising in the international electricity and gas markets - during 1 November 2021 - 31 March 2022, a compensating mechanism has been applied to the prices of electricity and natural gas paid by the household consumers so as not to worsen energy poverty. Around 13 million citizens

would benefit by the compensation of electricity bills, and similar measures have been approved for natural gas consumers.

(3) Given the need to mitigate the impact of price increase of heat delivered in the cold season to population and other consumers with a low degree of affordability, the price components of electricity and natural gas do not include VAT. Price differences are not subsidies directly related to price in the meaning of Law No 227/2015 on the Fiscal Code and they are not included in the VAT tax base.

(4) A reduced VAT rate of 5% applies to the tax base for the delivery of thermal energy during the cold season to the population and other consumer categories: public and private hospitals, according to Law No 95/2006 on health care reform, public and private educational establishments, according to the National Education Law No 1/2011; NGOs regulated by law and places of worship regulated by Law No 489/2006 on religious freedom and the general regime of religious denominations; public and private providers of social services regulated by classification of social services, approved by GD No 867/2015 on approving classification of social services social services, and framework regulations on organizing and functioning the social services, with subsequent amendments and completions.

(5) Pursuant the provisions of the Law No 286/2021 and Law No 287/2021, the VAT rate decreased from 19% to 5% for delivery of firewood to natural persons and legal entities or other entities, regardless the legal form of organization, including schools, hospitals, health centres, and social care units.

(6) Through the support scheme for household consumers in force during between 1 February - 31 March 2022 a unit compensation of maximum 0.291 Lei/kWh is granted, in the case of electricity, and at most 40% of the value of the natural gas price component of the supply contract of the beneficiary customer, in the case of natural gas; prices of electricity and natural gas are capped: a) the final invoiced price of electricity is capped to 0.8 Lei/kWh at most, VAT included, out of which the price component of electricity will be maximum of 0.336 Lei/kWh; b) the final invoiced price of natural gas is capped to 0.31 Lei/kWh at most, VAT included, out of which the price component of natural gas will be 0.200 Lei/kWh at most. During 1 April 2022 - 31 March 2023, the final billed price for electricity and natural gas is temporarily capped in order to ensure the social and economic protection of household consumers.

(7) Programmes for building social housing (financed by the State Budget): Programme for social and emergency housing implemented according to Law No 114/1996 - in 2022, 91 investment objectives are being financed, totalling 4,190 housing units; Housing programme for young people for rental purposes - by 31 March 2022, 68 investment objectives have been under construction for 2,264 housing units.

(8) Improving the population's access to essential services, the construction of water supply and sewerage networks financed through PNDL - Stage II (2017-2022) - around 4,000 km of water supply network and 3,250 km of sewerage network were built.

(9) Population access, especially from remote areas and underdeveloped communities, to essential services at quality and safety standards - The Anghel Saligny Programme (funded through the State Budget) supports the development of basic water supply infrastructure and water treatment plants, sewage and wastewater treatment plants, roads/ access to roads and extension/ connection to natural gas systems; by the call for proposals opened in 2021, 7,545 project applications were

submitted by 3,147 territorial administrative divisions, and the financing requests amounted to 137.59 billion lei.

(10) Building, modernizing and expanding all types of basic infrastructure in rural areas (financed under EAFRD) - construction/ modernization of 318 kindergartens/ nurseries and upper secondary agricultural educational establishments; construction/ extension/ modernization of 4,728 km of water/ wastewater networks; modernization/ construction of 3,458 km of communal roads.

Note: Progress on investments funded by NRRP and aimed at increasing the population's access to essential services will be reported under the NRRP.

Note: Other investments such as energy efficiency of centralized supply, transport, and distribution systems, the introduction of smart systems in the energy sector, improving the energy performance of residential buildings, photovoltaic systems for remote households, water supply, and wastewater treatment infrastructure, sewerage will improve the population's access to essential services (see CSR.2020.3)

2020.CSR2.Subpart4: Mitigate the employment impact of the crisis by developing flexible working arrangements and activation measures.

Measures

(1) The 2021 National Employment Programme supported the access to the labour market of 224,287 people, of whom 76,715 were considered “hard to employ” and 33,418 “very hard to employ”; in terms of gender structure, out of the employed persons, 105,949 persons were women and 118,338 were men. By the place of residence, 118,074 persons were from urban areas and 106,213 from rural areas.

(2) Measures that create employment opportunities accompany the reconversion of areas affected by the transition to a climate-neutral economy. Nine contracts amounting to 3.5 million euro were concluded and are implemented through the call for proposals OPHC/761 *Improving the level of professional skills and increasing the employment rate of the unemployed and inactive people in the Jiu Valley correlated to the labour market needs* in which nine contracts totalling 3.5 million euro were signed and are implemented.

(3) Stimulating the employment of people who have lost their jobs or have been unable to find employment and who are at risk of social exclusion caused by the loss of their income - 741 unemployed aged over 50 and 3,694 unemployed aged between 16 - 29 have benefited by measures funded through the Unemployment Insurance Budget. ESF funded interventions for 36,013 people and 10,845 businesses.

(4) Integrating the jobseekers or the inactive persons into the labour market (funded by ESF) - 156,670 people received support.

(5) Improving the labour market participation of young NEETs (ESF) - 244 unemployed young NEETs aged 16-29 years benefit from measures to return to education by second chance programmes; 29,217 unemployed young NEETs aged 16-29 years benefit from support.

(6) INTESPO project - Youth Registration at Public Employment Service - 201,119 young NEETs were identified, and 184,296 young NEETs were registered.

(7) Diversification of the local economy in rural area - investments financed through European Agriculture Fund for Rural Development (EAFRD) lead to the creation of 5,121 new jobs through measures aiming at establishing non-agricultural businesses in rural areas and developing non-agricultural businesses by the existing enterprises/ farms. The funds allocated for setting up young farmers supported 13,072 young farmers, and those for developing small farms financed 29,533 small farms.

(8) Development of social entrepreneurship, including in the ITI Danube Delta area will allow new employment opportunities and facilitate the vocational integration in social enterprises for inactive people in rural areas. 11 contracts amounting to 29.6 million euro were concluded and implemented through the call OPHC/879 - Support for the establishment of social enterprises in rural areas.

2020.CSR2.Subpart 5: Strengthen skills and digital learning and...

Measures

The drafting of the *National Framework for the Digitalisation of Education*, in line with the strategic field *Digitalisation* from the Educated Romania project started by preparing the set of digital skills for students and teachers. The Order of the Minister of Education No 5765/15.10.2020 establishes general digital skills for students. The *Digital Competence Framework for Teachers* (in line with the *European Framework for the Digital Competence of Educators - DigCompEdu*) is currently being drafted and is to be approved by the end of Q2/2022. The above-mentioned national framework capitalizes on the 8 chapters of the *SMART-Edu Digital Education Strategy* project targeting digital skills, open educational resources, infrastructure and connectivity, lifelong digital learning, teacher training, cybersecurity and the curriculum for emerging professions, including by encompassing them in the implementation plans of the aforementioned national framework. So far, digital competencies for teachers has been established in line with the DigComp-Edu, and the general digital competencies for students shall be further developed being already included in the school curricula for grades V-XII (*ICT and Computer Science* subjects).

A series of measures are being implemented to anticipate the labour market needs in terms of skills, as well as to monitor the professional integration of graduates. As such, there is a mechanism for anticipating VET related skills needs, which entails the review of the regional/ county/ local context in terms of demographic, economic and labour market developments and forecasts. Moreover, a mechanism was developed to monitor the professional insertion of graduates in tertiary education to be used by the higher education institutions from Romania and the Ministry of Education.

Adapting the initial and continuous training offer to the labour market requirements carries on as part of a joint initiative in the fields of education and employment.

ReCONNECT project - *adaptation to change - an integrated anticipation, monitoring and evaluation mechanism for the labour market and education*, contracted through HCOP, aims to achieve three mechanisms: (1) the integrated mechanism for monitoring the insertion of graduates of education and training programmes; (2) the interconnected mechanism for anticipating the need of skills and competences in the labour market; and (3) the interconnected mechanism for evaluating and monitoring public policies on active and vocational training measures, as well as an IT application and a training

course. Activities were carried out to review the capacity of relevant stakeholders in the areas of education, vocational training and the labour market to synchronize and provide real and relevant data for the development of mechanisms; the structure, data flow and the interoperability of the integrated mechanism for anticipating, monitoring and evaluating the labour market and education were described by a methodology developed under this project (stage completed in November 2021). The development of the three mechanisms aforementioned has started and will be completed by the end of 2022. In the forthcoming period, actions are scheduled to initiate the acquisition of the ReCONNECT IT platform, an application that aims to synchronize, interconnect, test, update and monitor project partners' databases, while providing reporting facilities.

Job related training programmes including the acquisition of digital skills were offered to 9,536 employees and 10,845 SMEs were supported.

2020.CSR2.Subpart6: ...ensure equal access to education

Measures

Important steps were taken to **combat school segregation** with the approval of and starting the implementation of the *Methodology on School Segregation Monitoring in pre-university education*.

In December 2021, the project *Strengthening the management of the Romanian education system by developing and implementing an efficient local and regional governance model in the pre-tertiary education system and enhancing the equity of the education system in Romania* was approved having MEd as beneficiary and the Presidential Administration as partner. The project is funded by DG REFORM through the Technical Support Instrument (TSI) encompassing two components: governance and desegregation. The specific objectives of the project include, inter alia: development of the institutional framework capable of ensuring effective educational management at local and regional level; development of the institutional framework capable of ensuring the prevention, combating and monitoring of segregation in education; development of the capacity of the education system to prevent, combat and monitor segregation. These objectives contribute to the wide spread of equity and the training of pre-university education professionals on the new legal framework on school desegregation. The technical support requested through the project is complementary to the NRRP while the project also aims to develop a *National School Desegregation Strategy* and a related Action Plan.

The project *Early Warning Mechanism for Early School Leaving (MATE)*, funded with 0.4 million euro by the EC (DG Reform) and implemented with the support of WB aimed at monitoring, preventing and combating early school leaving. The Early Warning Mechanism in Education was piloted through educational activities in 11 educational establishments, training and information activities in the educational establishments subjected to piloting, and data from 467 educational establishments at high risk of leaving early school leaving from 10 counties were collected through the MATE IT module. To continue this approach, the National Programme for Reducing School Dropout (PNRAS) was approved through GD No 1309/2021; this programme shall be funded by NRRP, is based on the MATE project, and will provide grants of up to 200,000 euro to schools with students at risk of school drop.

The implementation of the social programmes by the Ministry of Education continues:

Euro 200, Money for high school, VET scholarship, student transportation reimbursements, School supplies, Hot meal, the Programme for schools of Romania, social vouchers to support children and students, including electronic vouchers granted to most deprived children enrolled in pre-school, primary and lower secondary education etc.

Participation in preschool education of children from disadvantaged families - as of 1 January 2021, educational incentives are granted to children enrolled in preschool education and coming from families who have being granted the right to state allowance for family support under *Law No 277/2010 on the allowance for family support*, republished, with subsequent amendments and completions, regardless of whether the family is being actually paid this allowance or this right is suspended. The monthly social voucher with a value of 100 lei is granted to each child enrolled in pre-school education and coming from a family entitled to family support allowance.

2020.CSR3

2020.CSR3.Subpart1: Ensure liquidity support to the economy benefiting businesses and households, particularly small and medium-sized enterprises and the self-employed.

Measures

In 2020 and 2021, the National Bank of Romania (BNR) adopted a package of measures aimed at **mitigating the negative effects of the crisis triggered by COVID-19 on households and Romanian companies**. The Romanian central bank adopted measures in the following areas:

- *Monetary policy measures*: reducing the monetary policy rate from 2.5% to 2%, 1.75%, 1.5%, and 1.25% (currently, the monetary policy rate is 3%, after being successively increased starting with the fall of 2021); providing liquidity to credit institutions; purchasing Leu-denominated government securities on the secondary market in order to ensure the smooth financing of real economy and of the public sector;
- *Measures to increase the flexibility of the legislative framework*, so that banks and NFIs could help individuals and companies with outstanding loans;
- *Measures on strengthening financial institutions' resilience and on encouraging credit granting*: (i) avoiding the distribution of dividends by banks and NFIs; and (ii) allowing banks to temporarily operate below the global capital and liquidity requirement;
- *Measures regarding bank resolution*: postponing by three months the deadline for collecting the annual contributions to the bank resolution fund for 2020, with the possibility of extension to up to six months; delaying the reporting deadlines of some information on resolution planning;
- *Operational measures*: ensuring the smooth functioning of payment and settlement systems underlying payments in the domestic currency, so that commercial and financial transactions can be performed under normal conditions; the BNR has provided banks with continuous cash flows for all operations, including liquidity for ATMs.

Note: This information should be correlated with the information provided in the section referring to the implementation of 2020.CSR1.Subpart1, as well as in the section referring to the implementation of 2020.CSR3.Subpart3 (on programmes for

supporting SMEs).

2020.CSR3.Subpart2: Front-load mature public investment projects and ...

Measures

The Ministry of Finance annually monitors how the main credit release authorities reflect the results of prioritizing significant public investment projects in their annual budget projects. *The memorandum containing the results of the prioritization of significant public investment projects* used in the draft budget for 2022 was approved on 8 December 2021. The list of prioritized projects has **177 significant public investment projects** (compared to 160 in 2020, and 158 in 2019), managed by eight main credit release authorities.

The pilot exercise on rationalising the public investment portfolio of the Ministry of Transport and Infrastructure (carried out together with the Ministry of Finance) was completed. Following the analysis performed within the working party composed of the two ministries, MF drafted a *Note regarding the results of the pilot exercise*, presenting the exercise's phases and its conclusions. From the 22 investment projects identified as non-performing under the criteria proposed by the WB, MTI justified maintaining 21 projects in the Public Investment Programme, introducing in the rationalization programme a single railway project, namely Valcele - Ramnicu Valcea new railway line, approved in 2008 and with a physical implementation stage of only 3%.

Regarding **public-private partnership (PPP) projects**, the Public Investment Management Unit within MF accomplished the following progress in 2020 and 2021:

- It elaborated, together with EPEC experts (from EIB), a *National strategy for implementing priority projects in PPP regime*. The strategy provides a set of criteria for selecting the projects to be implemented in PPP regime, proposes an institutional framework for approving the various stages, starting from the project preparation phase, awarding contracts and monitoring them during the operational phase. The draft public policy document has undergone changes during 2021 and is currently on the approval circuit as a draft normative act (GD). Approval of this strategy is expected for 2022;
- It developed, submitted and received approval from the EC for a *technical assistance project under the Reform Support Programme*, considering the need to complete the existing legal framework (Government Emergency Ordinance No 39/2018) with guidelines/ methodologies aimed mainly at preparing PPP projects. The project involves consulting services for developing guidelines on standardized PPP contractual provisions, developing a toolkit/ methodologies for PPPs related to *Value for Money* concept and a set of training materials, and providing PPP training sessions. The contract for consultancy services was signed on 15 December 2021, and the project will run for 18 months.

Developing of environment infrastructure and tackling/ mitigating climate change effects:

- *Integrated/ Individual Projects for the Consolidation and Extension of Integrated*

Waste Management Systems, Respecting the Waste Hierarchy (LIOP PA 3, SO 3.1) - total budget: 374.31 million euro for increasing the waste recycling capacity by 340,000 tonnes/ year, in order to reach, by the end of 2023, the LIOP target of 1,300,000 tonnes/year of waste recycling capacity; 40 non-compliant landfills were closed/ rehabilitated; 21 projects, amounting to 282.53 million euro, were contracted; *there are in the preparation phase* eight projects from several counties (Ilfov, Brasov, Buzau, Sibiu, Bistrita Nasaud, Salaj, Bacau and Dolj), and the major project *Bucharest Energy Recovery of Municipal Waste on a High Efficiency Cogeneration Power Plant* (it is expected to reach an additional 310,000 tonnes/ year waste recovery capacity, excluding recycling); the projects *Integrated Waste Management System in Galati County* and *Support for the preparation of the financing application and award documentation for the project Integrated waste management system in Dambovita county* (signed in 2021) are also in the implementation phase. Through the Technical Assistance Services Agreement for Projects - PASSA 2020-2023, signed in December 2019, EIB experts will continue to support MIPE (LIOP MA) for the implementation of 11 county waste management plans to meet the waste sector related enabling condition;

- *The Programme of Waste Management, Including Hazardous Waste* finances economic operators that carry out waste recycling and treatment facilities. The programme has an allocated budget of 1,800 million lei as commitment appropriations and 226 million lei as budgetary appropriations;
- The Programme - *Environment, Climate Change Adaptation and Ecosystems (RO-Environment)*, funded by the EEA Financial Mechanism 2014-2021, and managed by the Ministry of Environment, Water and Forests (MMAP), envisages the closure of two temporary municipal landfills. The call *Measures to Reduce Contamination with Hazardous Substances in Temporary Municipal Deposits* has a budget of 5 million euro, targeting the local public authorities, and it will be relaunched in Q1/2022;
- In order to comply with the provisions of *Council Directive 91/271/EEC concerning urban waste-water treatment*, major investments are made in Romania for the expansion of water and wastewater networks, the construction and rehabilitation/ upgrading of treatment plants, sewerage networks and wastewater treatment plants. By the end of December 2020, at national level, in agglomerations larger than 2,000 equivalent inhabitants (e.i.), 2,057 sewer networks were inventoried, out of which 1,260 were functional and 797 under different stages of execution. With regard to sewage treatment plants, in agglomerations larger than 2,000 e.i., 831 treatment plants were in place, out of which 714 were functional and another 117 new treatment plants were completed, to which the population had not yet been connected or being in technological trials/ decommissioned. The degree of coverage with wastewater collection systems, in agglomerations larger than 2,000 e.i., corresponds to a biological load of approx. 66.15% of e.i. and the degree of coverage with sewage treatment plants corresponds to a biological load of approx. 63.58% e.i.. The investments made between January and December 2020 in the wastewater infrastructure amounted to approx. 348 million euro;
- By 31 December 2021, wastewater infrastructure investments through SO 3.2 of LIOP runs through 101 financing contracts, with a total eligible value of approx. 6,258 million euro. LIOP envisages the construction of 9,342 km of sewerage network and 169 treatment plants, out of which, by the end of December 2021, 46.36 km of sewerage network and two treatment plants were completed. Through the selected infrastructure projects, Romanian people will benefit from a better water supply; the POIM target for 2023 is 2,851,330 people. Romanian population will benefit also from a better wastewater treatment, while the POIM target for

2023 is to reach 1,938,904 people;

- *Works to improve the flood protection systems: In 2021, “Romanian Waters” National Administration (ANAR) within MMAP resulted in 26.35 km of shore consolidations, 36 km of riverbed recalibration, 0.99 km of dams, and 30 localities have been protected from floods. National Agency for Land Improvement (ANIF) within the Ministry of Agriculture stepped in 91 complex drainage systems for the prevention and management of flood situations and carried out land improvement works, respectively drainage within 202 localities, the ANIF budget allocated to the works aforementioned amounting to 5.68 million euro.*
- **Measures to protect against flood risk; A) within ACOP 2014-2020 funding:** (i) the project *Strengthening the Capacity of the Central Public Authority in the field of Water Management in order to implement the second and third stages of the Flood Directive - RO-FLOODS, Cycle II* - the project runs for 48 months, between October 2019 and October 2022, having MMAP as project leader and ANAR as a partner. The total value of the project is 139.996 million lei, of which ANAR has 6.95 million lei; (ii) *Strengthening the Capacity of the Central Public Authority in the field of Water Management to Implement the National Flood Risk Management Strategy in Medium and Long Term* - the project is scheduled to run for 24 months, i.e. between February 2020 and February 2022, the project leader being MMAP while ANAR participates as partner. The total value of the project is 11.06 million lei, of which ANAR funds amount to 5.25 million lei. **B) within LIOP funding:** (iii) *The Project for Promoting Climate Change Adaptation, Risk Mitigation and Management - Increasing the Level of Training of Intervention Crews for Rapid and Effective Disaster Response* is funded by LIOP - By December 2021, 12 project applications were submitted, with a total eligible value of 1,033 million euro, of which 11 projects were contracted, with a total value of 1,008 million euro. (iv) The project *Associated Training and Endowment with Machinery and Equipment for Measuring and Monitoring the Water Management Infrastructure and Improving the Capacity to Intervene and Preventive Actions to Ensure Existing Capacities* -the project fiche was prepared in order to be promoted for LIOP funding, currently being proposed as an investment under NRRP. (v) *the WATMAN II project - Information system for the integrated management of water - Stage II - alarm systems, integrated communications and Decision Support System* - the estimated completion time is Q2/2022 and the related funding application will also be completed, while discussions on the possibility of financing from external grants (SDOP) are currently underway; (vi) under PA 5 *Promoting Adaptation to Climate Change, Prevention and Risk Management*, 20 project applications were submitted to reduce the effects and damages on the population, caused by natural phenomena, associated with the main risks stressed by climate change, mainly floods and coastal erosion (total eligible value: 1,732 million euro). Of the 20 applications, only 17 projects with amounting to 1,679.75 million euro were contracted; (vi) a) under PA 5.1, ANAR contracted the project *Reducing Coastal Erosion Phase II (2014 - 2020)*¹⁶⁴, stands out, amounting 841 million euro, of which 709 million euro are eligible and 30.54 km of protected beach/ cliff will be achieved. The purpose of this project is to prevent coastal erosion, through specific actions to limit its negative effects on the coastal areas of the Romanian seaside. This will support the development of an appropriate environment for increasing the conservation value of marine habitats in the project areas, ensuring the conditions for maintaining and supporting the future development of marine species with high conservation value. By December

¹⁶⁴ The project was approved by GD no. 667/2016 i.e. LIOP financing contract no. 223/2018, having ANAR as beneficiary

2021, 384.4 million lei were spent; Lots 1-5 are in the implementation stage; **(vi b)** under PA 5.1, on 19 May 2021, the financing contract No 560 was signed for the project *Flood defence of Babadag locality, Tulcea County* - a 82.5 million lei project, having MMAP as beneficiary in partnership with ANAR.

- In terms of **nature protection and biodiversity conservation**, Romania stands out through a variety of protected natural areas of national, European and global significance. Thus, out of a total of 1,576 protected natural areas, ANANP directly manages 1,210, another 366 protected natural areas being managed by other entities (e.g. Romsilva National Forests Authority, County Councils etc.). No new Natura 2000 sites were designated in 2021. Currently, ANANP has three ongoing projects for the implementation of management plans (for four Natura 2000 sites and related protected natural areas of national interest), and another two projects are under evaluation at LIOP MA (out of the 51 partnerships concluded by ANANP, in 2019 and 2021, in order to implement management plans). At the same time, ANANP submitted in 2021, 17 financing applications for the elaboration of management plans for approx. 137 protected natural areas.
- In 2021, for the **harmonization of forestry, agro-pastoral arrangements and urban plans with the management plans of protected natural areas**, ANANP approved 15 pastoral arrangements.
- With regard to *nature protection and biodiversity conservation*, on LIOP SO 4.1, by 31 December 2021, one call for projects was launched on the development and implementation of protected area management plans/ action plans for species/ sets of conservation measures; and one call for projects is open until 30 June 2022, for action on the maintenance and restoration of degraded ecosystems and provided services. Through the selected projects, 48,686 ha of habitats will be supported in order to benefit from a better conservation stage, and 57 sets of measures/ management plans/ action plans are to be elaborated and approved (LIOP target for 2023). 191 project applications were submitted, amounting 513.39 million euro, of which 105 projects were contracted, amounting to 284.11 million euro.
- In 2021, the Environmental Fund Administration (AFM) financed *afforestation/ tree addition/ reforestation* on degraded land amounting to 6 million lei. In the same year, the *Forest Guards* carried out afforestation/ tree addition/ reforestation on 26/ 30/ 0 ha of degraded lands (totalling 56 ha). In addition, plantation maintenance works were carried out on approximately 985 ha. At the same time, RNP-ROMSILVA carried out works to fill the gaps in the plantations on 1.82 ha and maintenance works on 78.7 ha of previously established plantations.
- Two programmes are funded under LIOP (SO 4.2), in order to *improve the air quality assessment and monitoring infrastructure*: (i) *Improving the National Air Quality Assessment and Monitoring System* - in September 2021, the Addendum no. 1 to the Financing Agreement No 385/2020 was concluded, with a total eligible value of 15.04 million euro (the project is under implementation). (ii) *Expanding and Modernizing the Air Quality Monitoring and Control Infrastructure in order to Increase the Accuracy of the Information and the Capacity to Respond to Pollution Episodes* - in August 2021, the Financing Agreement was signed, with a total eligible value of 11.52 million euro (the project is being implemented);
- *Reduction of GHG and ammonia emissions in agriculture* (NRDP 2014-2020) - by 7 April 2022, 449 projects were contracted with a total amount of payments made of 238.82 million euro.
- Under *The Programme of Environment, Climate Change Adaptation and Ecosystems*, funded by the EEA and Norway Grants 2014-2021, four projects are

underway (amounting to 3.55 million euro), to help restore wetlands and peatlands, to restore degraded ecosystems and to ensure the improvement of their conservation status, respectively to restore 45 wetlands/ peatlands in an advanced stage of degradation from a total area of 11.22 km².

Note: Investments to improve flood protection systems and afforestation works, funded by NRRP, will be reported under NRRP.

TRANSPORT. Preparation, prioritization and acceleration of the implementation of major investment projects:

(1) Improving the capacity to prepare and implement transport infrastructure projects: the Agreement on Technical Assistance Services for Projects - PASSA is ongoing. The technical assistance provided by the end of Q4/2021 materialized in 50 projects prepared/ evaluated/ contracted/ monitored with the support of EIB-PASSA experts and the elaboration of about 116 deliverables related to the transport sector, 12 monthly progress reports and two half-yearly progress reports.

(2) The 2021-2030 Investment Plan for Transport Infrastructure Development was elaborated by the Ministry of Transport and Infrastructure (MTI) with EIB-PASSA support and approved through GD No 1312/2021. The document is an update of the Strategy for implementing the General Transport Master Plan and includes the prioritization of investments that reflects the needs of connectivity and mobility, reducing traffic congestion and ensuring traffic flow.

(3) For financing from ESIF 2014-2020, 19 financing applications for large projects were approved by the EC, as follows: 11 for road infrastructure, three for railway infrastructure, four for metro infrastructure and one for naval and intermodal transport. Within CEF, seven projects are under implementation (two in the railway sector, two for road infrastructure and three in the naval and intermodal field), and financing agreements were signed for other seven projects (four in the railway sector, two in the naval and intermodal field and one project for airport infrastructure). Benefiting from funding under the Large Infrastructure Operational Programme (LIOP), by the end of 2021, 174.741 km of new roads on the TEN-T network and 8.76 km of metro lines were built, 171.15 km of railway lines and one railway station were renovated/ modernized, and three airports were modernised.

(4) Improving the legislative framework for accelerating the implementation of infrastructure projects. In March 2022, the Government approved GD No 342/2022 for the approval of the establishment of the Single Register of Machinery and Equipment in the field of infrastructure projects of national interest. The aim is to create a mechanism for contracting authorities to verify the availability of the machinery and the equipment declared by the economic bidders as being usable in the implementation of infrastructure projects of national interest. The Register will automatically generate communications in case of overlapping periods for the use of machinery, equipment and installations, representing an important first step to eliminate delays and blockages in construction sites.

Note: For further details, please refer to the section dedicated to the implementation of 2020.CSR3.Subpart4 regarding the focus of investment on the green and digital transition, in particular on sustainable transport.

Measures

In response to the economic challenges posed by the continuation of the COVID-19 pandemic, the **National Loan Guarantee Fund for SMEs** (FNGCMM) has extended in 2022 only one support programme out of the three programmes designed to stimulate the development of SMEs, as follows:

I. **The Support Programme for Small and** (SME INVEST ROMANIA) was amended. In June 2021 and December 2021, the programme was extended successively, until 31 December 2021 and 30 June 2022, respectively. For 2021, the ceiling of state guarantees granted under the programme was 15 billion lei, of which 1 billion for the AGRO IMM INVEST Sub-programme (*to support SMEs in the field of agriculture, fisheries, aquaculture and the food sector*), and for 2022, the ceiling is 10 billion lei, of which 5 billion lei for the AGRO IMM INVEST Sub-programme.

From the launch of the SME INVEST ROMANIA Programme in 2020 and until 31 December 2021, 41,128 state guarantees were granted amounting to approx. 2 billion lei. Moreover, based on the FNGCMM's request, 22 orders of payment were disbursed amounting to 528,941.51 thousand lei as a grant representing the interest and administration fee (June 2020 - March 2022). From the ceiling allocated for 2022, guarantees amounting to approx. 54.92 million lei were granted by 28 February 2022.

From the start of the AGRO IMM INVEST Sub-programme in 2021 and until 31 December 2021, 2,364 state guarantees were granted amounting to approx. 2 billion lei. Moreover, based on the FNGCMM's request, 11 orders of payment were disbursed amounting to 42.181,28 thousand lei in the form of a grant representing the interest and administration fee (May 2021 - March 2022).

II. **The SME Leasing Programme I for Equipment and Machinery** (launched in Q4/2020), through which state guarantees 60% or 80% are granted for leasing financing. In 2020, the guarantee ceiling had a total value of 1.5 billion lei. The Programme guarantee ceiling approved for 2021 was 2 billion Lei; during 2021, 22 guarantees were granted, amounting to approx. 8.68 million lei. From the start of the Programme in 2020 until 31 December 2021, 24 state guarantees were granted, amounting to approx. 8.85 million lei. Based on the request of FNGCMM, 15 orders of payment amounting to 158.04 thousand lei in the form of a grant representing the interest and administration fee (April 2020 - March 2022) were paid. For 2022, no guarantee ceiling has been approved.

To strengthen the market position of SMEs, following the adoption of the GEO No 130/2020 and the modification of the Competitiveness Operational Programme (COP), by creating Priority Axis 3, approved by the EC on 3 September 2020, the related state aid scheme - *Support for SMEs in order to overcome the economic crisis triggered by the COVID-19 pandemic*, managed by the Ministry of Entrepreneurship and Tourism (MAT) was launched. In December 2020, the *Order amending the State Aid Scheme* was published in the Official Journal (OJ) No 1314, which provided for a total allocated budget of 1.48 billion euro (1.26 billion euro from the ERDF and 219.4 million euro from the state budget - BS), and three measures: a) **Measure 1- Microgrant**, with a fixed amount as lump sum: the leu equivalent of 100 million euro; b) **Measure 2 - Grant for working capital**, in the form of a lump sum, depending on the turnover: the leu equivalent of 907.03 million euro; c) **Measure 3 - Grant for investments in lucrative activities**: the leu equivalent of 478.2 million euro.

Subsequently, the budget of the state aid scheme was modified by supplementing the budget of Measure 2 through the relocation of the funds allocated to the Measure 3, according to the *Minister of Investments and European Projects (MIPE) Order No 690*

on the approval of the State Aid Scheme - Support for SMEs in order to overcome the economic crisis triggered by the COVID-19 pandemic, published in the OJ No 654/2021. Thus, Measure 3 was scrapped from the original scheme and taken over by MIPE for implementation purposes in the form of Measure 4.1.1, as approved by the EC on 27 October 2021.

A budget supplement for Measure 2 was made again by allocating 570 million lei from the State Budget for the payment of all eligible applications which value exceeded the amount initially allocated, in accordance with *GEO No 130/2021 on some fiscal and budgetary measures, the extension of certain deadlines, as well as for the modification and completion of some normative acts* (OJ No 1202/2021).

In OJ No 1111/2021, the *Order for the approval of the State Aid Scheme - Support for SMEs to overcome the economic crisis triggered by the COVID-19 pandemic - lucrative investments*, under Priority Axis 4 - Supporting the improvement of the effects caused by the crisis amid the COVID-19 pandemic and its social consequences, and on preparing for a green, digital and resilient economic recovery, *Investment Priority 4d - Supporting the capacity of SMEs to grow in regional, national and international markets and to engage in innovation processes, Specific Objective 4.1. - Strengthen the market position of SMEs affected by the COVID-19 pandemic* was published.

On 25 October 2021, the second edition of **Measure 1 Microgrants** was launched. By 27 January 2022, out of the total **29,250 enrolments** in the programme, 17,368 contracts were paid, with a financing value of 168.10 million lei. Moreover, for **Measure 2 - Grants for working capital**, out of the total 22,226 enrolments, 13,836 contracts were granted payments, with a financing value of 3.77 billion lei.

On 29 June 2021, the **State Aid Scheme dedicated to the HoReCa industry** was launched, based on *GEO No 224/2020 on certain measures for the provision of financial support for enterprises in the field of tourism, public food service, and event organization*. As of 27 January 2022, out of the 10,185 enrolments in the programme, 8,294 contracts were paid, amounting to 2.13 billion lei.

In order to **support SMEs for the creation and expansion of advanced production capacities and the development of services**, state aid and de minimis aid were granted through the Regional Operational Programme (P.I. 2.2), and by 14 January 2022, 1,458 projects, with an eligible financing amount of 1.5 billion euro (of which 868.9 million euro from ERDF) were contracted, for which payments amounting to 541.3 million euro were made.

Under the **Business Development, Innovation and SMEs Programme**, funded by the EEA and Norwegian Grants 2014-2021 (45 million euro), 28 projects are being implemented and another seven projects were completed.

2020.CSR3.Subpart4: Focus investment on the green and digital transition, in particular on sustainable transport...

Measures

To achieve the ambitious objectives in the Romanian Government Programme in the field of digital transformation of the Romanian society and to achieve and coordinate the implementation of strategies and public policies in the field of digital transformation and information society, the Romanian Digitalization Authority (ADR) operates under subordination of Ministry of Research, Innovation and

Digitalization (MCID), pursuant to the provisions of Government Decision No 371/2021.

On 3 June 2021, the Government adopted *The public policy in the field of e-government*, a strategic document for the digital governance and management of electronic public services at the administration level, which represents the roadmap of public services digitalisation over the next 10 years. It represents a significant outcome of the project *Setting the framework for the development of e-Government tools* (EGOV), financed through the Administrative Capacity Operational Programme (ACOP).

In order to ensure an integrated coordination of e-government interventions and to reduce the administrative burden for business and citizens, the Committee for e-government and bureaucracy reduction was established on 24 May 2021, by the Decision of the Prime Minister of Romania No 331/2021. The Committee meeting of 17 June 2021 took note of the progress on the *National Catalogue of Public Services*, a useful tool in the process of digital transformation and de-bureaucratization of public administration, and its first version was published in early November 2021 on the ADR website. The elaboration of the catalogue is based on a quantitative and qualitative analysis, being achieved an inventory of 2,333 public services provided to citizens and business environment by 525 central administration institutions and bodies.

In December 2021, the financing contract (0.5 million euro) was signed for the project *Digital Transformation Process of the Romanian public administration*, implemented through the Technical Support Instrument.

The implementation of the project *Strategic framework for the adoption and use of innovative technologies in public administration 2021-2027 - solutions for streamlining the activity* (SIPOCA 704) started on 3 December 2020 is being implemented according to the schedule (technical progress: 30%).

In order to support and streamline the digital transformation process, a Digital Governance component was foreseen (implementation progress: 22%) under the project *Developing the administrative capacity in the field of public governance - a coordinated approach of the Romanian Government centre* which implementation, funded by EEA Grants and Norway 2014-2021, was launched in October 2021. The project is implemented by the General Secretariat of the Government (SGG), in partnership with ADR, Ministry of Justice and OECD, the total funding being of 3.02 million euro.

The development and completion of the *PCUe Electronic Single Contact Point platform* continues (the platform is available online at: <https://edirect.e-guvernare.ro/SitePages/landingpage.aspx>), by implementing the project *E-government services - PCUe* with State Budget financing, 5,228 administrative procedures being made available, and 2,219 institutions from the central and local public administration being enrolled.

The transposition of the *Directive (EU) 2019/1024 on open data and the re-use of public sector information* was completed on 27 January 2022 through the adoption of the related draft law by the Government.

With a view to *increase the access of citizens to public services and to reduce administrative burden*, at the ADR level, the following e-government platforms are operational: a) the *National Electronic System SEN* (www.e-guvernare.ro) which provides: procedures and services to assist and solve the problems raised by the EU citizens and companies by hosting the European Single Digital Gateway network; contact details of the main public institutions and bodies in Romania; the national register of public institutions in Romania; the interface for submitting statements to the National Agency for Fiscal Administration (ANAF); the register of accredited

certification service providers issuing qualified electronic signatures; b) the *Electronic Public Procurement System - SEAP* (www.e-licitatie.ro) on which, by 6 February 2022, 206,232 registered entities enrolled, of which 21,497 contracting authorities and 184,735 bidders. Between 1 August 2021 - 31 January 2022, 15,241 procedures totalling over 499 million lei and over 1,28 million direct purchases totalling over 7,7 billion lei were carried out; c) the *Electronic Award System in Transport* (www.autorizatiiauto.ro) on which, by January 2022, over 1,7 permits were issued to transport operators; d) the *National Tax Payment Electronic System - SNEP* on (www.ghiseul.ro) which payment by bank cards is accepted with more than 1,000 public institutions and bodies registered on the platform; the number of active users exceeded 1 million, and over 5.5 million transactions were concluded. On 7 July 2021, the initiative of developing the latest generation digital tool - the mobile application ghiseul.ro was launched, which allows users to pay over 300 taxes and public services. Other *important online platforms* available are: the National Trade Register Office online services portal (<https://portal.onrc.ro>); PatrimVen Service (<https://epatrim.anaf.ro/>) and Virtual Private Space online platform (https://www.anaf.ro/anaf/internet/ANAF/servicii_online/inreg_inrol_pf_pj_spv).

In order to *increase the use of e-Government systems*, all calls for proposals were launched under the Competitiveness Operational Programme (COP); all the 17 project applications submitted were approved, of which 15 projects were contracted while two project applications were proposed for financing by the Council of Audio-visual and the State Office for Inventions and Trademarks. Out of the 15 contracted projects, five projects have been completed and 10 projects are currently in various stages of implementation, as follows: (1) *The technological interoperability system with the EU Member States - SITUE* which will be based on the development of the eIDAS node for Romania and will interconnect with both the eIDAS nodes of the other EU Member States and the Romanian providers of identity and electronic services (in December 2021, the service agreement was signed with the selected company; implementation progress: 41%); (2) *the ONRC consolidated and interoperable integrated electronic system designated to e-Government services focused on life events* (implementation progress: 46 %); (3) *Integrated Information System for the issuance of Civil Status Documents - SIIEASC* (implementation progress by December 2021: 63.54%); (4) *National Management System on Disability (SNMD)* (this project is under implementation in the phase of software and platform development; implementation progress by January 2022: 26.74%); (5) one project of the Ministry of Labour and Social Solidarity: *Services Hub MMPS - SII MMPS* (implementation progress by October 2021: 11 %); (6) *Service hub (electronic service delivery centre) at Ministry of Internal Affairs* (progress: 37%); two projects of the Ministry of Foreign Affairs: (7) *Integrated Electronic Management System for Travel Documents (ePass)* (implementation progress by January 2022: 42.5%), and (8) *Integrated system of personalized alerting and permanent updating of risk indicators for travel destinations* (implementation progress by September 2021: 17%); (9) the *National Electronic System for Adoption project - SINA* (implementation progress: 31%); (10) the project *Centralized Software Platform for Digital Identification (PSCID)* is in the phase of software analysis and data centre design stage (implementation progress: 35%). The agreement for the implementation of PSCID project was signed on 18 November 2021 simultaneously with the launching of the public debate on proposal for a *Regulation amending Regulation on a European Digital Identity (eIDAS)* which regulates the need to issue an e-wallet, respectively the European Digital Identity Wallet.

Digitalisation in construction, architecture and urbanism is aimed to be achieved through some complementary actions carried out by the Ministry of Development, Public Works and Administration (MDLPA), funded by the ACOP 2014-2020 and the

NRRP. Through the ACOP's project *Streamlining the legislation in the area of spatial planning, urbanism and constructions as well as strengthening the administrative capacity of the specialized bodies of central public institutions in charge* - SIPOCA 50 one aims at drafting the normative and methodological instruments needed for supporting digitalisation. A public procurement procedure of expertise services was launched for the elaboration of several guides and methodologies, including the guidelines for drafting and supervision/ managing spatial and urban planning and documentation in Geographic Information System (GIS).

In order to *strengthen the administrative capacity in the cyber security field*, the Law No 11/2022 approved GEO No 104/2021 on the establishment of the *National Directorate of Cyber Security (DNSC)*, a specialized body with legal personality under the coordination of the Prime Minister (by reconverting CERT-RO). In 2021, new specific occupations to the cyber security field were included into the *Romanian Classification of Occupations (COR)*, namely: digital investigation expert, cybersecurity expert, cybersecurity auditor and cybersecurity consultant. The implementation of the project *Integrated management system for a performing informational society (SIMSIP)* - SIPOCA 391 aiming at *developing the administrative capacity of the ADR and DNSC* is due to be completed (deadline: May 2022). In order to *increase the operational capacity of the DNSC*, the project *Early warning and real-time information system - RO-SAT* is under implementation *through COP* (implementation progress by December 2021: 29.73 %; during 2022 one aims to render the hardware and software platforms operational in order to attain the objectives proposed in the project).

DNSC also implements the following projects (A) funded by CEF TELECOM: (1) the *Cyber Exchange* project, in order to strengthen the capabilities and expertise of the national and governmental CERT/CSIRTs from 10 EU Member States by intensifying cross-border cooperation activities, including the capabilities to respond to advanced cyber threats in a unified and coordinated manner; (2) *Joint Threat Analysis Network -JTAN* aiming at establishing a common threat analysis network, an open collaboration group of the European CSIRTs with a focus on collecting, sharing and analysing technical, operational and strategic information data on threats, and (3) *Capacity building in the line with Cybersecurity Act for the Romanian competent authorities CERT-RO and RENAR* which will contribute to strengthening the administrative capacity of DNSC and RENAR to implement EU Regulation 881/2019 (Cybersecurity Act), and (B) financed by the HORIZON 2020: (1) *Geiger Cybersecurity Counter (GEIGER)* for the purpose of developing a solution designed to raising awareness of small businesses and entrepreneurs on the risks of data protection, privacy and cybersecurity; (2) *Artificial Intelligence Threat Reporting and Incident Response System - IRIS* with the objective of developing a solution to protect IoT (*Internet of Things*) and AI (*Artificial Intelligence*) based ICT systems against the cyber security threats and attacks; (3) *SECurity and privacy protection in the Internet of Things devices - SECANT* conceived to provide a holistic framework for assessing cybersecurity risks to improve digital security, privacy and personal data protection in complex ICT infrastructures, by using state-of-the-art technologies and methodologies.

In order to *ensure the cyber security of ICT systems and computer networks (COP Action 2.3.2)*, the implementation of the project *Strengthening the capabilities for prevention, identification, analysis and response to cyber incidents by the Protection and Guard Service "POC_CYBER_2021"* is ongoing (implementation progress by October 2021: 40%), and two projects aiming at increasing the operational capacity of the Romanian Intelligence Service (SRI) are under implementation: *Upgrading the existing IT system and including in the system new IT&C infrastructures with critical values for national security* (Implementation progress: 56.39%) and *The system for the protection*

of terminals operated by SRI against threats derived from cyberspace (implementation progress: 53.67%).

In order to support investments for the **digitalisation of SMEs**, three calls for proposals amounting to 100 million euro from ERDF 2014-2020 were launched. Following the first call, 104 projects were implemented and after the closure of the second call, the implementation of the 76 projects started of which seven projects were already completed. Within the *third call for projects*, subsequently to the project applications evaluation, 97 projects were accepted based on the technical and financial compliance (TF) of which 16 projects were approved for financing and contracted (by using the outsourcing mechanism) with grants of 51.64 million euro. At the same time, a reserve list was set up for 22 projects that obtained over 80 points following the TF evaluation or re-evaluation, after handling appeals.

SUSTAINABLE TRANSPORT:

DEVELOPMENT OF RAILWAY INFRASTRUCTURE. Under the Large Infrastructure Operational Programme (LIOP), by March 2022, rehabilitation works were completed for a railway station, 41 stations modernized with railway safety systems, 54 structures (25 bridges, 27 canals and two tunnels) and 167 km of railway line from Simeria to Sighisoara (except the works for implementing ERTMS level 2); the length of the railway lines renovated/ modernized and equipped with ERTMS system, included in the three major projects approved by the EC, is of 314.47 km. Under CEF, rehabilitation works for 112 km of railway lines (Brasov - Sighisoara) have started and contracts were signed for financing the feasibility studies related to the railway line sections Bucharest-Craiova, Coslariu-Cluj Napoca and Apahida-Suceava and the modernisation of the railway lines and installations in the Bucharest Railway Complex

STRUCTURAL REFORM OF RAIL TRANSPORT. On 3 January 2022, the Railway Reform Authority (ARF) signed public service contracts (PSCs) with six rail operators for passenger transport. The project *Implementation of the National Transport Model for rail passenger transport and the definition of the public service obligation for rail passenger transport* aims at a better management of PSCs and is under implementation until April 2022. The project *"Integrated system, unique database and provision of information on the ticketing system of rail passenger transport operators* is under implementation until 2023 and aims to ensure the interoperability of the ticketing systems that passenger rail transport operators own, and to provide the information necessary for improving rail traffic in Romania. The large project for *the procurement of rolling stock* is divided into several lots, depending on the types of rolling stock required. GD No 1226/2021 approved the investment objective "Procurement of new rolling stock, regional electric frames RE-R and interregional electric frames RE-IR". The procurement documentation for Lot 1 (purchase of 62 regional frames RE-R and maintenance services for 15 years, with the possibility of extension up to 30 years) is in preparation stage. The procurement procedure for Lot 2 (purchase of 37 interregional electric frames RE-IR and maintenance services for 15 years, with the possibility of extension up to 30 years) is ongoing (in January 2022 it was in the pending appeal phase before the National Council for Solving Complaints). Moreover, the documentation for the purchase of 11 alternative traction electric frames (with hydrogen) is being prepared, for financing from LIOP 2014-2020/ Transport Operational Programme (TOP) 2021-2027.

DEVELOPMENT OF ROAD INFRASTRUCTURE. Under LIOP, by the end of 2021, 78 projects (out of which 39 for construction works) were contracted, with a total eligible value of 5,524.68 million euro. All 11 financing applications for major projects

submitted for analysis to EC have been approved (one approved in 2021). By the end of 2021, 174.741 km of new roads on the TEN-T network were built, 396.6 km of highways and express roads were in various stages of construction and other 2,375.77 km were in various stages of preparation (for 261.62 km the technical project contract was signed, for 358.39 km the feasibility study and the technical project for the construction of the express road was signed and other 1,755.76 km are in different preparation stages). Within CEF, the projects *Europarking Secure Parking* and *Creating a Network of Connected Safe and Secure Parking Areas in Hungary and Romania (SecureNetwork)* are in implementation. In order to **stimulate regional mobility**, under the Regional Operational Programme, 129 projects (with an eligible value of 2.05 billion euro) were contracted for the modernization/ rehabilitation of 4,250 km of county roads located in the proximity of TEN-T network.

DEVELOPMENT OF METRO INFRASTRUCTURE. Within LIOP, the following progress has been made: eight projects were contracted and five financing applications for large projects were approved by EC; 8.76 km of metro lines were built/ improved and the documentation for the purchase of 50 trains is in preparation stage. Investment priorities target the projects that are in implementation or in preparation (*Metro line M5 - Section 2 Eroilor-Piata Iancului* - design contract in progress - deadline: Q4/2023; *Metro line M6 - Section 1 Mai-Tokyo* - in the phase of contracting the execution works for the resistance structure - deadline Q4/2026, and *section 2 Tokyo-Otopeni* - in the tender phase for construction works for the resistance structure; *Accessibility of metro stations in operation for the visually impaired* - project in the stage of signing the contract and starting the execution works, completion term: 2023).

DEVELOPMENT OF NAVAL AND INTERMODAL TRANSPORT. Within LIOP, the following progress has been made: 23 projects were contracted and one major project was approved by EC; three locks and one non TEN-T port were rehabilitated; works for modernizing nine ports (Constanta, Tulcea, Braila, Galati, Medgidia, Ovidiu, Giurgiu, Calafat and Isaccea - non TEN-T) are ongoing; the projects for the non-TEN-T ports Corabia and Luminita are in an advanced stage of preparation; 36 km of shore defences on Sulina Channel and two intermodal terminals will be developed. As regards the Constanta port, in 2021 works to deepen the basins and port canals were completed. In 2022, the development of the infrastructure continues through the modernization of the electricity networks, the extension to 4 lanes of the road connecting Gates 10 and 10 bis (982 m), extension to 4 lanes of the road network inside and outside the port, in the area of access gates No 7, 8 and 9. Within CEF, two contracts for feasibility studies were signed (trimodal terminal in Drobeta-Turnu Severin Port and the project EALING - European flagship action for cold ironing in ports aiming to accelerate the transition to electrification in seaports) and three projects (Fast Danube - Improving the navigation conditions on the Romanian - Bulgarian common sector of the Danube, SWIM-SMART and Protect - Upgrade of infrastructure and environmental protection in Constanta Port) will be completed by the end of 2022.

DEVELOPMENT OF AIRPORT INFRASTRUCTURE. Within LIOP, by the end of 2021, 19 projects were contracted, and three airports were modernized. Romania participates in the project *SESAR Deployment Programme Implementation 2019* - IOP Foundation (financed from CEF). The investment project for the development of airport infrastructure at the International Airport Henri Coanda - Bucharest (AIHCB) is being implemented with financing from the state budget and own resources of the National Company Bucharest Airports: the expropriation procedures are ongoing and a draft law amending the Programme for the strategic development of the airport infrastructure at AIHCB is on the approval circuit. To **reduce the impact of civil aviation on the environment**, the level 2 accreditation for Bucharest Baneasa International Airport - Aurel Vlaicu/ AIBB-AV was obtained, according to the Accreditation Standard for CO₂

Levels for Airports, and the level 3 accreditation for Bucharest Otopeni International Airport - Henri Coanda/ AIHCB was maintained. Moreover, the process of renewing TAROM's fleet continues, by introducing low-fuel consumption aircrafts (ATR 72-600) into operation and decommissioning old fuel consumption-inefficient aircrafts (ATR 42-500, B 737-300).

IMPROVING SAFETY ON ALL TRANSPORT MODES AND REDUCING THE ENVIRONMENTAL IMPACT OF TRANSPORTS. Within LIOP, 12 projects were contracted to eliminate 95 road black spots and to signal 150 railway level crossings. By the end of 2021, 41 railway-sectioning points were equipped for increased safety and four ice-class multifunctional tugboats were received.

DEVELOPMENT OF SUSTAINABLE URBAN MOBILITY, both in small and medium-sized cities, as well as in county seat municipalities: until 14 January 2022, 304 projects (with an eligible value of 2.78 billion euro) were contracted for the purchase of public means of transport (rolling stock - trams, trolleybuses and electric buses) which can be equipped with software and equipment related to integrated passenger ticketing systems (e-tickets or e-ticketing) and intelligent management transport systems (ITS).

PROMOTING LESS POLLUTING VEHICLES. Three programmes are in progress: (1) the *Programme for Stimulating the Renewal of the National Car Fleet* (Rabla Classic Programme) - with an allocated budget of 940 million lei for 2021, 67,308 old polluting vehicles were scrapped; (2) the *Programme for Reducing Greenhouse Gas Emissions in Transport by Promoting Clean and Energy-Efficient Road Transport Vehicles* (Rabla Plus Programme) - with an allocated budget of 900 million Lei for 2021, 6,318 new electric vehicles and 1,993 plug-in hybrid vehicles were purchased; (3) the *Programme for Financing Less Polluting Vehicles in Local Public Passenger Transport - electric buses and trolleybuses/ CNG buses* - with an allocated budget of 460 million lei, by December 2021, 52 new electric vehicles were introduced in the local public transport in Brasov and 130 new hybrid electric vehicles in Bucharest; (4) the *Programme for Improving Air Quality and Reducing Greenhouse Gas Emissions by Using Less Polluting Vehicles in Student Transport - electric-hybrid, electric and CNG minibuses* - will start in 2022, with a total allocation of 600 million lei from the budget of the Environment Fund Administration (AFM).

INSTALLING ALTERNATIVE FUELS INFRASTRUCTURE. The following programmes are in progress: (1) the *Programme on the development of recharging infrastructure for plug-in hybrid electric and electric vehicles on motorways, European roads and national roads* - the programme's guide is under elaboration; (2) the *Programme on reducing greenhouse gas emissions of transports by promoting infrastructure for clean road transport vehicles in terms of energy: charging stations for electric vehicles in the county seat municipalities* - the applications submitted by 27 municipalities were approved and 27 contracts were signed for a total number of 208 recharging stations, with 434 recharging points; (3) the *Programme on the development of recharging infrastructure for electric and plug-in electric vehicles in localities, by installing recharging stations with normal power* - is in progress, a financing session takes place between December 2021 - June 2022 and benefits from an allocation of 500 million lei from the AFM budget, while one session for 2022 will be launched, and shall benefit from an allocation of 500 million lei.

RESEARCH, DEVELOPMENT AND INNOVATION

The implemented measures aim at improving the administrative capacity and the legislative framework related to the research, development and innovation (RDI) system, as well as strengthening the link between the private and academic/ research

environment, to stimulate private investment in research and innovation and increase the visibility of Romanian research by participating in European RDI programmes and projects.

In order to ensure continuity in the financing of the national RDI system, the implementation timeframe of the National Plan for RDI 2015-2020 (NPRDI III) was extended until 30 June 2022

The project SIPOCA 592 - *Increasing the capacity of the RDI system to respond to global challenges. Strengthen the anticipatory capacity for evidence-based public policy-making* is under implementation. Between November and December 2021, the draft GD on the approval of the National Strategy for Research, Innovation and Smart Specialization (NSRISS) 2021-2027 was made available for public consultation on the website of the Ministry of Research, Innovation and Digitalization (MCID).

STIMULATING PUBLIC-PRIVATE COOPERATION IN THE FIELD OF RDI. To *stimulate enterprises demand for innovation*, with financing from the Competitiveness Operational Programme (COP), 176 projects carried out by innovative enterprises individually or in partnership with R&D institutes/ universities (83 projects developed by start-ups and spin-offs, 22 by newly created enterprises and 71 innovative technological projects) have been implemented. By December 2021, 79 projects were completed (57 projects developed by start-ups and spin-offs, and 22 by newly created enterprises) and payments amounting to 145 million lei were made. In addition, 14 *partnership projects for knowledge transfer* were finalised and 39 projects continue to be implemented, payments amounting to 382.78 million lei being made. To *increase the access of innovative SMEs to financing*, 99 SMEs benefited from investments or loans, the payments made to the final beneficiaries amounting to 6,836,453.74 euro (the *Subsidized Interest Loan and Risk Sharing Instrument* having leverage 2 multiplier effect) and 14,043,918.60 euro (Venture Capital Instrument - the accelerator of entrepreneurship and seed-investments).

In 2021, 2,014 experimental-demonstrative projects and 303 projects for transfer to the economic operator were submitted for financing from the National Plan for RDI 2015-2020. As regards the public procurement for innovation, 70 million lei were allocated for financing 11 projects on R&D themes that meet the specific needs identified by central public authorities.

By 18 March 2022, under the Regional Operation Programme, 41 projects (with an eligible value of 93.2 million euro) were contracted for *promoting technological transfer and increase the degree of innovation in companies* and payments amounting to 3 million euro were made. In 2022, the launching of two calls (under preparation with the support of the World Bank) aiming to implement pilot schemes for testing/ creating/ developing the innovation market in Romania is envisaged.

ENSURING A HIGH-QUALITY BASE FOR RESEARCH. In 2021, for the development of human resources for research, 229 projects for post-doctoral research, 208 projects for stimulating young independent research teams and 19 mobility projects for young researchers or experienced researchers from diaspora were financed from the National Plan for RDI 2015-2020, and awards were granted for 6,313 ISI articles published and 19 patents registered with OSIM, EPO or USPTO. Within the competitions launched in 2021, 332 projects for post-doctoral research and 686 projects for stimulating young research teams were declared eligible and 857 projects for exploratory research were submitted.

Under the Competitiveness Operational Programme, 47 *projects led by high-skilled researchers from abroad* (out of the 57 contracted projects) and 20 projects for the *creation/ modernisation of public/ private R&D centres/ labs* were completed. In

addition, nine more projects for public R&D infrastructures were contracted and three projects for *innovative clusters* (out of the 20 project applications submitted) were selected for financing.

Within Human Capital Operational Programme, in order to support doctoral students and post-doctoral researchers, in April 2022, nine projects (from eight universities) were approved and they will receive funding of approx. 9 million euro (ESIF and state budget) for applied research activities carried out within the partner organizations (business partners, industry, research institutes etc.) and activities for the development of advanced research skills.

The implementation/ promotion of the pan-European research infrastructures continues as follows:

1) The *strategic project Extreme Light Infrastructure-Nuclear Physics (ELI-NP)*: the construction works of the buildings and of the additional access road from the Bucharest ring road have been completed; the technical parameters for the high-power laser system (HPLS) have been met and the process of purchasing, installation, calibration and testing of equipment for the experimental labs continues. By December 2021, payments amounting to 536 million lei were made.

2) The *pan-European project Advanced Lead Fast Reactor European Demonstrator (ALFRED)*: in 2021, the public procurement for the acquisition of services for the design and execution of the buildings and the provision of the experimental installation Athena, part of the European project ALFRED took place. The contract, with an eligible value of 92 million lei (financed from the Competitiveness Operational Programme), was awarded in October 2021 and has the deadline in December 2023. The infrastructure site will be located on the Mioveni Nuclear Platform.

3) The pan-European infrastructure project *International Centre of Advanced Studies for Rivers-Deltas-Seas DANUBIUS-RI*, representative for Romania's contribution to EUSDR in the RDI field: in 2021, the implementation of the support project (worth 5 million euro, financed from the Competitiveness Operation Programme) continued; the aim of the support project is to complete the necessary documentation for the development of the financing application for the large project (e.g. studies specific to large infrastructure investment projects; execution details for the Romanian components of DANUBIUS-RI; technical documentation for obtaining construction permits etc.).

For the *development of networks of R&D centres* (with financing from the Competitiveness Operational Programme), the project for the expansion of the RoEduNet network was completed in April 2021 (32 new connections were registered and payments totalling 26 million lei were made), 18 projects for modernising Cloud type infrastructures are in implementation and the implementation of the project Anelis Plus 2020 continues until July 2022 (in 2021, access was provided for 19 scientific co-publications).

SUPPORT ROMANIAN PARTICIPATION IN EUROPEAN RDI PROGRAMMES. By Q4/2021, 35 projects for creating synergies with the RDI actions of *Horizon 2020* Programme and other international RDI programmes were contracted under the Competitiveness Operational Programme. In 2021, 62.07 million lei were allocated from the National Plan for RDI 2015-2020 for financing 342 projects that support participation in bilateral and European research programmes (*RO-FR, RO-BE, ERA-NET/ Cofund, Eureka, Eurostars and Active and Assisted Living/ AAL*, awarding the participation in *Horizon 2020*).

EEA and Norwegian grants 2014-2021 support collaborative research projects between

research organizations from Romania and Donor States (Iceland, Norway). In 2021, the implementation continued for the 42 contracted projects (completion term: April 2024), covering in full the allocation of 51.9 million euro available under the Research Programme. The projects contribute to the development of research-based knowledge and enhanced performance of Romanian research at international level in areas such as energy, environment, health, social sciences and humanities, ICT, and biotechnology.

Investments on the green transition in the energy sector (renewable energy production/ consumption and increased energy efficiency) will be supported by:

- *The Programme for the Installation of Photovoltaic Panels for Electricity Production to Cover the Required Consumption and to Deliver the Surplus to the National Grid, for the Bucharest - Ilfov Region* (funded through the Environment Fund) - 1,734 financing contracts were concluded, the amount of 17 million lei was paid by AFM, in 2021.
- *The Programme for the Installation of Photovoltaic Systems for Isolated Households - Individual Beneficiaries* - by the end of December 2021, 56 contracts were concluded for 897 photovoltaic panel systems. The amount of 4.27 million lei was paid by AFM, in 2021.
- *The Programme for the Installation of Photovoltaic Panels for Electricity Production to Cover the Required Consumption and to Deliver the Surplus to the National Grid for Seven Development Regions of Romania* (funded through the Regional Operational Programme/ ROP) - 11,344 financing contracts are expected to be funded, with an eligible value of 105.24 million euro (out of which 89.45 million euro from ERDF funds); by 14 March 2022, MA ROP disbursed 27.6 million euro.
- *Supporting the Energy Production from Less Exploited Renewable Resources (i.e. biomass, biogas, geothermal) (LIOP SO 6.1)*; 12 projects amounting to 52.42 million euro were signed for the Production sector and four projects amounting to 11,27 million euro were contracted for the Distribution sector.
- Under *the Renewable Energy, Energy Efficiency, Energy Security Programme*, funded by the EEA and Norway Grants 2014-2021 (62.8 million euro), 46 projects are being implemented (19 renewable energy projects, 21 projects for energy efficiency, four projects for electrification of households and two projects for hydro). Another nine projects have been completed. Moreover, three calls for projects were opened throughout 2020-2021 and the related project applications submitted are under evaluation (*Other renewable energy sources, Geothermal and Research and Development*).
- To support investments in installations and equipment leading to energy savings in industrial enterprises, SNGN ROMGAZ SA will complete investment in CTE Iernut, by the end of Q4/2022.
- *The Programme for District Heating* is implemented over the period 2019-2027; 400 million lei from the Environment Fund was allocated for the entire implementation period. In addition, for 2021, according to the State Budget Law No 15/2021, 170 million lei as commitment appropriations and 40 million lei as budgetary appropriations were approved. In 2021, the amount of 24.9 million lei was disbursed by the beneficiary Territorial and Administrative Divisions through the Ministry of Development budget, from the state budget (for six projects, out of which one was completed), and 37.2 million lei from the Environment Fund (for six projects out of

which one was completed). In 2021, the amount of 42.7 million Lei was transferred to the Ministry of Development budget from the Environment Fund budget. Six multiannual funding contracts were signed for four beneficiary Territorial and Administrative Divisions and 18 additional acts extending the contractual period or rescheduling annual payments were concluded.

- *Increasing the Energy Efficiency for Residential and Public Buildings and for Public Lightening Systems* (funded through ROP) has an allocated budget of 793.25 million euro; by 18 March 2022, 1,523 projects were submitted, amounting to 1.85 billion euro of which 883 projects, with an eligible value of 1.3 billion euro, were contracted.
- *The Programme on Increasing the Energy Efficiency and Intelligent Energy Management on the Public Lightening Infrastructure* - 562 contracts amounting to 337.25 million lei were signed and AFM's financial contribution was 19.09 million lei in 2021.
- *The Programme on Carrying out Works aimed at Increasing Energy Efficiency in Single-Family Dwellings, Individual Beneficiaries* - The enrolment period in the computer application of the technical data related to the projects was between 15.09.2020 - 15.12.2021. The amount of 130 million lei was allocated to the funding session. The registration of legal persons in the computer application was made for 150% of the allocated budget. 16.409 applicants submitted applications during the call session, of which 2,808 financing applications were submitted in hard copy. 324 contracts were signed, amounting to 16.25 million lei.
- *The Programme on Increasing the Energy Efficiency and Intelligent Energy Management on the Public Buildings* - The 2021 budget supplemented the value of commitment appropriations up to 1,400 million lei. The enrolment period in the computer application of the technical data related to the projects was between 20.09.2021 - 19.11.2021. The registration of legal persons in the computer application was made for 150% of the allocated budget. 870 applications amounting to 2,100 million lei were submitted during the call session.
- *The Multiannual National Programme for Increasing Energy Performance of the Apartment Buildings* - implemented by Ministry of Development, according to the Government Emergency Ordinance No 18/2009, with subsequent amendments and completions. During 2021, 70 objectives i.e. blocks of flats were completed; currently, three multiannual financing programmes are underway, for which commitment appropriation amounting to 298.1 million lei are allocated, respectively the amount of 89.6 million lei for the programme running in the period 2021-2023, the amount of 74.6 million lei for the programme running in the period 2020-2022 and the amount of 133.9 million lei for the programme running in the period 2022-2024. The amount of 34.2 million lei was paid from the 2021 State Budget for the objectives being implemented within the two programmes aforementioned. The 2022 State Budget Law allocated budgetary appropriation amounting to 48 million lei and commitment appropriations amounting to 150 million lei.
- *Promoting Systems for Measuring, Recording and Monitoring Energy Consumption on Industrial Platforms (LIOP SO 6.2)* - with an allocated budget of 9.9 million euro; by December 2021, 69 projects amounting to 12.37 million euro were submitted, out of which 21 projects amounting to 3.80 million euro were signed.
- *Construction and Upgrading of High Efficiency Cogeneration Power Plants on Natural Gas and Biomass (maximum 8 MW) at Enterprises Level and Using Waste*

Gases from Industrial Processes (LIOP SO 6.4) with an allocated budget: 24.00 million euro; by 31 March 2021, 15 project applications were submitted, amounting to 45.04 million euro, out of which two projects amounting to 5.18 million euro were contracted. The installed high-efficiency cogeneration capacity is 20 MW, and the annual decrease in greenhouse gases emissions is estimated at 20,972.00 tonnes CO₂ equivalent.

- *Modernization of Centralized Heating Transmission and Supply Systems in Cities (LIOP SO 7.1)* - with an allocated budget of 128.61 million euro; 13 projects amounting to 190.25 million euro were submitted, out of which eight projects amounting to 138.87 million euro were contracted.
- *The Upgrading of Bucharest Municipality Heating System (LIOP SO 7.2)* - a project with a total eligible value of 244.22 million euro.
- PA 10 of REACT-EU - *Protecting population health in the context of the health crises triggered by COVID-19, increasing energy efficiency and the use of renewable energy sources, SO 10.2 Increasing energy efficiency and the use of renewable energy sources for preparation of a green, digital recovery and economic recovery* - measures for the use of renewable energy sources are also funded by REACT-EU, PA 10, SO 10.2 (total allocation: 200 million euro)
- *To increase the interconnection capacity of the national electricity transmission system and to reach the level of interconnectivity assumed by Romania (15.4% in 2030), The Power Transmission Grid Perspective Plan over the period 2020 - 2029* has included a series of investment projects for the accomplishment of interconnection works of Romania's electric power systems in the following directions: (i) Serbia, through the western and south-western interface of Romania; (ii) Bulgaria; (iii) Ukraine and the Republic of Moldova.
- *To continue the interconnection of national natural gas transmission systems with neighbouring states, the draft Development Plan of the National Gas Transmission System for the period 2021-2030* details the measures regarding the financing of major investment projects, among which we mention: (i) The connection on the bidirectional natural gas transport corridor Bulgaria - Romania - Hungary - Austria (BRUA); (ii) Taking over the natural gas from the Black Sea Coast (connection on the Southern Transport Corridor, by telescopic pipeline, on Tuzla - Amzacea - Podisor direction and Vadu -Transit 1 connection); (iii) Romania - Serbia connection, on Arad - Mokrin direction; (iv) Romania - Ukraine connection (connection on the Gheraesti - Siret direction; connection with the international natural gas transmission pipeline Transit 1 and reverse flow Isaccea; upgrading of SMG Issacea and SMG Negru Voda, in order to achieve bidirectional flow on the pipelines Transit 1, Transit 2 and Transit 3); (v) National Gas Transmission System connection in the North-East Romania, in order to improve the natural gas supply of the area as well as to ensure the transport capacities to/ from the Republic of Moldova (PI Ungheni), on the Onesti-Gheraiești-Letcani direction; (vi) Romania-Bulgaria interconnection, on Giurgiu-Ruse direction; (vii) development/ modernization of National Gas Transmission System in the North-West Romania.
- A new call for projects was launched *Increasing the Interconnection of the National Natural Gas Transmission System with other Neighbouring States (LIOP PA 8, SO 8.2)* - the projects aim to reach the 2023 target for the indicator "length of smart gas transmission and distribution networks" (336 km). Under this call, 243 projects were submitted amounting to 2.561 billion euro (10 times higher than the budget of the call, of only 235.29 million euro), out of which 10 projects amounting to 322.52 million euro were signed throughout 2021. 15 projects were approved and

are to be signed during the Q2/2022

2020.CSR3.Subpart5: ...digital service infrastructure

Measures

Broadband communications network. With reference to the elaboration of the legislative and regulatory framework in the field of broadband electronic communications infrastructures and networks, as of Q1/2019, the project *Establishing the reference framework in the field of broadband network development in Romania* is under implementation. A significant objective is the development of a public policy in the field of broadband communications. In January 2022, the addendum to the funding application was concluded, through which the project implementation deadline was extended until 31 July 2023. Moreover, at the end of March 2022, the project contracts were signed: the consulting services contract for elaborating a set of public policies related to the development of the broadband infrastructure and the advertising contract.

With regard the development of broadband communications infrastructure, the Ro-NET project *Development of a national broadband infrastructure in disadvantaged areas* is envisaged to be completed by mid-2022, using ESIF funding, through COP. The project has included seven regional investing lots (targeting an average of one hundred localities each); by February 2022, broadband communications networks within 692 localities from a total of the 695 eligible localities targeted by the project were completed. In early April 2022, the reception of works for the last three localities aimed by the project took place.

2020.CSR3.Subpart6: ...clean and efficient production and use of energy and environmental infrastructure, including in the coal regions.

Measures

Please refer to the section dedicated to the implementation of 2020.CSR3.Subpart 4.

2020.CSR4.Subpart1: Improve the quality and effectiveness of public administration and...

Measures

Ensuring an administration with efficient and upright human resources, training civil servants in order to adapt them to observe a taxpayer-oriented vision, increasing quality and access to public services are among the general objectives of the *Government Programme 2021-2024* in the *public administration* field.

In **2021**, amid the efforts to improve the effectiveness and the quality of the administration, the **implementation** of the various types of measures **continued**, some of which with the European Social Fund co-financing (through the Administrative Capacity Operational Programme - ACOP). As of **2022/2023**, several measures **will continue through the NRRP, Component 14** and the developments in the implementation thereof will be subjected to monitoring/ reporting under this new tool (e.g. the actions related to the human resources management).

The Department of Sustainable Development (DDD) within the Government apparatus,

subordinated to the Prime Minister, contributes to strengthening efficient, responsible and inclusive public institutions and to the implementation of the National Strategy for Sustainable Development of Romania 2030 (SNDDR), by creating the appropriate institutional framework and increasing the institutional capacity of central authorities in the field of sustainable development, enabling evidence-based public decisions in a projective manner while anticipating systemic developments and risks. Currently, DDD implements the project *Sustainable Romania - Development of the strategic and institutional framework for the implementation of the National Strategy for Sustainable Development of Romania 2030*, co-financed by the ESF, and participates in the implementation of the project *Enhancing policy coherence, transparency and coordination at the centre of the government in Romania*, through the EC Technical Support Instrument (DG Reform), with the technical assistance of the OECD.

Main progress made on the various components in 2021:

- **Decentralisation:** the half-yearly Monitoring report on the developments in the implementation of the general strategy in the field was elaborated; the draft *Government Decision on organizing and functioning of the Inter-ministerial Technical Committee for Decentralisation and of the working parties for the decentralization of competences* was submitted to the approval circuit. After the entry into force of this normative act, the draft GDs *for the approval of the cost and quality standards for decentralized public services for community utilities* will be promoted;
- **Codification:** the implementation of the SIPOCA 59 has continued and the draft *Code of Administrative Procedure* will be elaborated under this project: the comparative analysis on the doctrine and the experience in the Administrative Law and the Administrative Procedure in Romania and other European countries, as well as the *report/ synthesis on the analysis of the administrative acts, operations and contracts from a legislative, doctrinal and practical perspective* were finalized (Q4/2021); the technical version of the draft Code will be completed by Q2/2022. With regard the *Local Public Finances Code*, the draft will be subjected to a new consultation process, in view of updating, with the associative structures of the local public administration; estimated term for adoption: the end of the 2023.
- **Quality management:** the first *Evaluation Report on the impact of implementing the quality management systems and tools in public administration* was developed. According to 96% of the surveyed institutions, the degree of monitoring/ evaluation of the provided services has significantly increased; only 4% indicated that the implementation of the above-mentioned systems and tools did not have a major impact. The Report recommends that the *Action Plan for the gradual implementation of the quality management in the public authorities and institutions* be revised/resumed for 2021-2025.
- **Human resources management:** to develop a unitary management system in this area, the SIPOCA 136 project continued with the WB assistance (deadline: September 2022): six deliverables on the human resources management reform were elaborated and promoted on the National Agency of Civil Servants website; three of the materials developed by WB (a *Compendium of standardized job descriptions for the civil service positions*, as well as two guides on the career development and the motivation of the public administration staff) were disseminated to 163 institutions and authorities of the central administration, County Councils, Prefect's Institutions, mayoralties throughout the 42 counties. To present and promote the reform models developed by the WB, 12 webinars were organized. Several draft Government Decisions (GDs) are being developed/ finalized, such as those related to the National Electronic System for Registering Employment in Public Administration, the rules to organize the pilot-project of the

competition for filling vacant civil service positions, the rules on the competence frameworks. By GD No 931/2021 the normative framework on the *Ethics Advisor* was completed. Monitoring compliance of civil servants with the rules of conduct and the enforcement of disciplinary procedures has continued (a specific report was developed). The draft *Strategy on the Civil Service area 2022-2027* and the draft normative act for the approval thereof are to be finalized (the expected approving deadline: Semester 1/2022).

- **Professionalization:** during 2021, the National Institute of Administration (INA) was involved, as a partner/ beneficiary, in various projects funded by the Administrative Capacity Operational Programme. The SIPOCA 617 activities aiming at strengthening its capacity to develop studies/ analyses that impact the training system in public administration has continued (e.g. the draft study on Mentoring and *Mentor position*, and the study on the new entrants in the system were developed); INA also provided support in implementing the SIPOCA 722 project (e.g. the *Continuous Training Plan for the Local Police in Romania* and the *Modular Interdisciplinary Programme of the Local Police Officers* were elaborated). As from Q2/2022, INA will organize, as SIPOCA 625 partner, a specialized training programme for 3,490 persons with responsibilities in the public procurement field and a training programme for 610 persons (local elected officials, ANAP staff and contracting authorities at central and local level).

Note: The actions on strategic planning, transparency and quality of regulations detailed in the section concerning the implementation of 2019.CSR5, as well as the measures related to e-governance and digital transition presented in the section referring to the implementation of 2020.CSR3 also contribute to meet 2020.CSR4 on public administration.

2020.CSR4.Subpart2: improve the predictability of decision-making, including through an adequate involvement of social partners.

Measures

The decision-making process and the effective Governing mechanisms, focusing on priorities, transparency and citizens' access to information, the administrative simplification, encouraging the direct involvement of the civil society and the private sector in approving and prioritizing the de-bureaucratisation measures are envisaged by the *Programme for Government 2021-2024*, as general objectives for the public administration field.

In 2021, measures conceived to improve the decision-making predictability and to adequately involve the social partners continued to be implemented, some of which with the ESF co-financing, through the ACOP. As of 2022/2023, a part of the actions dedicated to *strategic planning, transparency and open governance, better regulation, strengthening social dialogue will continue through the NRRP, Component 14* and the developments in the implementation thereof will be subjected to monitoring/ reporting under this new tool.

Main progress made in 2021:

- **Strategic planning and prioritizing Government policies:** the *Annual Working Plan of the Government - the 2021 edition (PALG)* was updated with the draft normative acts proposed by the central institutions with the role of initiator; the annual Assessment Report on the implementation of the Plan was completed in Q1/2022; according to this report, 37% of PALG 2021 has been implemented. The activities of SIPOCA 612 aiming to develop seven Institutional Strategic Plans

(PSIs) and correlate them to the programme-based budgeting have continued (experts from four ministries were trained; the deadline to finalize the PSIs validation: Q1/2022), as well as those of SIPOCA 622, focusing on strengthening the strategic management functions of the Secretariat-General of the Government (the analysis on the strategic management capacity of the ministries was completed);

- **Transparency and participative governance:** monitoring of the process of publishing and gathering data from the annual reports of the Ministries, the Prefect's Institutions and the County Councils on the implementation of the Law No 52/2003 (the decisional transparency), and from the annual reports on implementing the Law No 544/2001 (the free access to information of public interest) continued; the degree of compliance with the standards of the Law No 544/2001 increased (compared to 2020): Ministries - 79%, Subordinated Authorities - 70%, Institutions of the Prefect - 90%, County Councils - 82% etc.; SGG also managed the E-Consult platform (over 4,900 draft normative acts launched for public consultation) and the *Unique Interest Groups' Transparency Register* (an information guide was developed; 16 training sessions were organized); to increase the capacity of the civil society to contribute to the public policy making, SGG managed the CONECT platform (with 413 organizations registered) and the *Register of the Associations, Foundations and Federations* (with 49 organizations registered); the implementation of the commitments from the *2020-2022 National Action Plan of the Open Governance Partnership/OGP* was supervised (e.g. three monitoring reports were developed, one of which covering the entire 2011-2021 activity of OGP Romania; guides, analyses on the involvement of citizens in the decision-making and on the topic of the public consultations were elaborated etc.).
- **Better regulation:** the implementation of the project SIPOCA 603 *Impact Studies for a better regulation* has continued; the first two Annual Reports on the impact assessment corresponding to the draft normative acts adopted in 2019 and 2020 were elaborated; four training sessions on preliminary impact assessment were organized (over 150 representatives of the central public administration benefited from specific training). The mechanisms for streamlining some cross-sectoral, horizontal procedures will be established through the SIPOCA 399 project *Zero bureaucracy* (currently in the phase of contracting technical assistance services). Based on the monitoring framework mechanism developed within the SIPOCA 59 project, the monitoring of the *Integrated Plan to simplify the administrative procedures applicable to citizens* has continued (periodical reports - half-yearly or quarterly as the case may be - were elaborated); the *Mechanism to assess the impact of the simplification of procedures applicable to citizens* was completed (Q4/2021) and the first (interim) evaluation report on the impact of the simplification measures comprised in the Plan was elaborated (Q1/2022).
- **Adequate involvement of social partners:** the administrative interventions to improve the data on the *dialogsocial.gov.ro* platform, to encourage the diversity of consultation topics in the social dialogue committees from the central and local level have continued; the involvement of the social partners within the structures/ mechanisms specific to different areas of reform (e.g. the Advisory Council on Sustainable Development) has been strengthened; the extensive sectoral consultations and debates took place, including separate dialogue with the trade unions and the business environment. As a result of the dialogue, measures in various sectors of interest (transport, health, enhancing the teleworking legislation etc.) have been approved, the proposals of the social partners were taken over in the national strategies etc. The social cooperation

with the Economic and Social Council (CES) was another way to involve the social partners in the legislative and decision-making processes, the normative acts attending the CES opinion being promoted at the level of Government.

2019.CSR1

2019.CSR1.Subpart1: Ensure compliance with the Council recommendation of 14 June 2019 with a view to correcting the significant deviation from the adjustment path toward the medium-term budgetary objective.

Measures

Details on measures adopted are referred to in the section on 2021.CSR1.Subpart1.

Note: The procedure for correcting the significant deviation from the adjustment path toward the medium-term budgetary objective did not continue, as an excessive deficit procedure has been launched for Romania.

2019.CSR1.Subpart2: Ensure the full application of the fiscal framework.

Measures

Please refer to the measures included in the context of 2021.CSR1 and 2020.CSR1.Subpart1.

2019.CSR1.Subpart3: Strengthen tax compliance and collection.

Measures

In 2021, the National Agency for Fiscal Administration (ANAF) collected 311.1 billion lei, which represented an achievement degree of the revenue programme of 100.2% and an increase of 18% (nominal index) and 12.6% (real index, +47.5 billion lei) as compared to 2020. When compared to 2019, the revenues of 2021 recorded an increase of 14.5% nominal index (+39.5 billion lei), in the context of a substantial growth of VAT refunds, both in value - from 18.8 billion lei to 24.3 billion lei (129.5%), as well as numerically (from 87,337 to 99,110 statements settled in 2021), this representing an important financial flow in the economy.

In the first two months of 2022, ANAF collected 56.4 billion lei, representing a 27.2% increase (nominal index) compared to the similar period of 2021 (44.3 billion lei) and an achievement degree of the revenue programme of 108.1% (+4.2 billion lei). The share in GDP of the revenues collected by ANAF was 26.1% in 2021, 1.1 pps above 2020 and 0.5 pps above 2019. For the first two months of 2022, the share in GDP of the

revenues collected by ANAF was 4.3%, 0.6 pps above the similar period of 2021. These results are largely due to the measures implemented by ANAF in 2021, which continued the *Operational Plan for Revenue Recovery* (PORV, a plan elaborated in 2020 following the pandemic crisis).

Some of the **most important measures adopted in 2021**, organised according to the three chapters of the document, are the following:

Chapter I - Measures on safeguarding revenues

- ***Simplifying procedures regarding VAT purposes registration***, by approving the following orders: Procedure for assessing the fiscal risk for taxable entities requesting VAT purposes registration (ANAF President Order No 393/2021); Internal working procedures for assessing the fiscal risk for taxable entities requesting VAT purposes registration (ANAF President Order No 699/2021); VAT purposes registration procedure (ANAF President Order No 239/2021).
- ***Making permanent the VAT refund procedure with subsequent control***, as of 1 February 2022, by Government Ordinance No 11/2021 *for amending and completing Law No 207/2015 on Fiscal Procedure Code and on regulating some fiscal measures*. In 2021, 99,110 VAT statements were settled (6.9% more than in 2020), with an amount of 16.4 billion lei approved for restitution/ compensation (13.5% higher than in 2020).
- ***Making the simplified procedure for restructuring outstanding budgetary obligations permanent*** - by ANAF President Order No 1767/2021, taxpayers going through a temporary financial difficulty have the right to pay the outstanding obligations accumulated in the last year, in maximum 12 months, without providing the compulsory guarantees required in the usual restructuring procedure. In 2021, 4,639 requests were approved for restructuring outstanding budgetary obligations, amounting to 2.4 billion lei. The amounts collected in 2021 from restructured budgetary obligations dropped by 11.3% as compared to 2020 (i.e. from 1,164.7 million to 1,032.7 Lei).
- ***Implementing an IT system for garnishments (E-Popriri)***. By 31 December 2021, 2,070,663 administrative deeds were communicated to the credit institutions through e-Popriri.
- ***Assessing the tax burden for taxpayers***. ANAF assessed the tax burden for taxpayers and identified measures that could improve the situation, using OECD's maturity model. Also, in 2021, the surveys carried out within the *Study on taxpayers' satisfaction regarding ANAF services* continued. The main conclusions are considered in the design of measures in the area of services for taxpayers. A consistent majority of respondents (93.1%) consider the services provided through the Call-Centre are of a very good and good quality.
- ***Implementing IT projects*** - five of the 18 priority digitalisation projects were completed in 2021 (most of them are also followed through NRRP): the special VAT regime (One Stop Shop, OSS_RO); the system for electronic invoicing; the Standard Audit File for Tax (SAF-T); interconnecting the fiscal electronic cash registers; NOES (Operational Level of Forced Execution);
- ***Implementing desk-audit*** as tool for documentary check-up, carried out at the fiscal body premises, without physical interaction with taxpayers. The measure is monitored through NRRP. In 2021, the share of documentary control actions in total fiscal control actions establishing additional fiscal obligations was 29.2% for the structure with fiscal control attributions, and 35% for the structure with fiscal anti-

fraud attributions. Thus, 8,384 documentary checks were completed, setting additional amounts of 386.4 million lei, well above the planned annual target (3,000 documentary checks).

- **Performing fiscal audits according to Base Erosion and Profit Shifting (BEPS) plan** and ATAD directive (international and European regulations on preventing and fighting tax evasion).

In 2021, 1,879 audits were carried out in this field for transactions amounting to 64.9 billion lei, with a tax base of 1.7 billion lei. The supplementary amounts set (profit tax + accessories) totalled 191.2 million lei, the fiscal loss being diminished by 299.6 million lei.

Chapter II - Ensuring the availability of tax services for taxpayers

- **Sending personalized information** to natural and legal persons with outstanding payment obligations (250,876 letters through SPV/ *Virtual Private Space*, 70,000 letters through other means);
- **Preparing the electronic filing for all tax returns.** By March 2022, 52 forms were digitalised, and the digitalisation of other 57 forms shall follow in 2022;
- **Enabling the electronic registration in One Stop Shop - OSS_RO.** The system became operational from 1 July 2021, making easier for companies to perform the electronic declaration and VAT payment for certain goods and Business-to-Consumer services, according to Directive No 112/2006 on *implementing VAT package for e-commerce*. The mini one-stop shop (MOSS) has been expanded to cover a wider range of services and goods.
- Electronically sending to and receiving by taxpayers the **specific documents on avoiding double taxation and international tax agreements**, through SPV and e-guvernare.ro portal;
- **Extending the concept of self-service** to the 210 tax agencies, by providing the necessary technical means for fulfilling taxpayers' obligations;
- **Changing the telephonic interaction with taxpayers** (messages automatically played by IVR). Starting with 2021, through IVR, taxpayers can access self-service information, automatically rendered, on: SPV registration, accessing online programming service (available in SPV and on ANAF website), avoiding double taxation and submitting questionnaires regarding tax residence setting, tax timetable, modalities of making payments to ANAF.
- **Developing the Call-centre** (increasing the number of simultaneous received calls, from 30 to 90). In 2021, the telephone assistance provided through the Call-centre consisted in 286,702 incoming calls. 140,542 calls were answered through other telephone numbers (decreasing from 142,918 calls in 2020).
- **Launching a chat service on ANAF website** (from November 2021, taxpayers benefit of specific assistance for accessing the available services on ANAF website). During 22 November - 31 December 2021, ANAF had 2,157 chat sessions.
- **Setting up a Fiscal School** (1 April 2022), as performance centre in the tax field. This educational structure aims to attract high-level professional and academic lecturers in order to deliver vocational training courses, train civil servants at the beginning of their careers, conduct studies and scientific research in the field of taxation, organize seminars and scientific communications.

Chapter III - Measures to support the business processes - continuing operations and ensuring the safety and health of staff and taxpayers. The measures were focused on issues such as: telework, use of new electronic devices in the context of telework, promoting online communication tools both for internal and external communication, analysing the external communication channels.

Customs activity

Regarding the activity of **ex-post control and re-checking customs statements** submitted and accepted in 2021, 39,847 actions were carried out. As a result, the authorities identified 4,509 frauds and irregularities and drafted regularization decisions for 226.4 million lei ascertained for payment. The central and regional mobile teams carried out **3,490 control actions** in 2021; as a result, contravention fines totalling 8.0 million lei were applied, compared to 11.1 million lei in 2020.

In the field of **risk management, analysis and selection for customs control**, an *Import Control System (ICS2-RO)* was launched on 1 October 2021. 510 out of the 214,104 processed statements were selected for assessment and for 215 of them additional information was requested. In order to **improve the customs infrastructure and modernise its offices**, the two major projects with external financing have continued, and the following progress has been registered: signing the financing contract for the project *Modernising Siret border crossing customs point, in order to streamline traffic flow at the transnational crossing point from the North borderline of Romania - DN2 (E85), Suceava county*; the constructions works contracts for offices in Sculeni, Albita and Giurgiulesti (RO), as well as in Leuseni and Giurgiulesti (MD) crossing point were awarded. The project *Rehabilitation and modernization of border customs offices on Romania - Moldova border* will continue in 2022 with activities on completing the infrastructure works and purchasing non-destructive testing equipment.

The IT system for monitoring the movement of excise goods under duty suspension in the EU is currently in line with the EC requirements. A new software development contract for the new requirements of DG Taxud (EMCS_RO phase 4) is expected to be awarded in 2022, with a public procurement procedure being currently underway. Within EMCS-RO application, 189,499 electronic administrative documents were managed (102,044 received and 87,455 issued) in 2021. 550 requests initiated/ received in 2021 were solved by electronic means, through EMCS-RO and CCN-MAIL portal as well as by mail.

Regarding the activity of **fighting illicit tobacco traffic**, 28.7 million pieces of cigarettes were seized following specific control actions. The estimated value of the confiscated goods and cash (excluding cigarettes/ alcohol/ energy products) was 11.8 million lei in 2021, compared to 8.5 million lei in 2020. According to Novel Research market study, in November 2021 the *illicit tobacco market registered its lowest level over the past 15 years - 7.4%*, the average of 2021 being of 8.4% (the lowest annual average recorded in the same timeframe).

The **EU Strategy on Customs Risk Management**, transposing the provisions of the Union Customs Code (EU Regulation No 952/2013) is under implementation.

Note: Information on investment for increasing taxpayers' voluntary compliance and for modernizing the customs system, financed through NRRP, will be reported through NRRP.

Measures

The National Bank of Romania (BNR) is constantly monitoring developments and legal initiatives in order to **guarantee legal security and financial stability**. In 2019, 2020 and 2021, BNR was involved in a series of legal drafts concerning the financial-banking sector, by providing its **points of view, observations and proposals**. The most important legal drafts concerned are:

- *Law no 52/2020* on amending and supplementing Law No 77/2016 (Datio in Solutum);
- *Government Emergency Ordinance (GEO) No 127/2020* on amending Law No 96/2000 on organising and functioning of Romanian Export-Import Bank “Eximbank”;
- *Law no 320/2021* on amending and supplementing Law No 312/2015 on the recovery and resolution of credit institutions and investment firms, as well as on amending and supplementing some normative acts in the financial field - the transposition of Directive 2019/879/UE on amending Directive 2014/59/UE (concerning the loss-absorbing and recapitalization capacity of credit institutions and investment firms), and of Directive 98/26/EC;
- *Law No 319/2021* on amending and supplementing GEO No 99/2006 on credit institutions and capital adequacy - transposing EU Directive 2019/878 on amending Directive 2013/36/EU (concerning exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures);
- *Draft Law on prudential supervision of financial investment companies*, as well as for amending and supplementing some normative acts related to the transposition of EU Directive 2019/2034 on prudential supervision of investment firms and on amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, and 2014/65/EU;
- *Law No 187/2021* approving GEO No 227/2020 on amending and supplementing GEO No 37/2020 on granting some facilities for loans granted by credit institutions and non-banking financial institutions to certain debtors and on amending para. (1) of art. 79 of GEO No 50/2010 on credit agreements for consumers;
- *Draft law on setting measures for implementing EU Regulation No 2020/1503* on European crowdfunding service providers for business and on amending EU Regulation 2017/1129 and EU Directive 2019/193;
- *Draft Law on secured bonds*, as well as on amending and supplementing some financial normative acts related to the transposition of EU Directive 2019/2162;
- *Legislative proposals on consumer protection* against excessive interest rates, against speculative assignments of debts, against abusive or untimely forced executions, against currency risk in credit contracts, against the total cost of credit and the assignment of debt (L.474/2021);
- *Draft Law on regulating some measures regarding the general framework applicable to the national development banks in Romania*;
- *draft law on exempting customers of savings-lending banks in the housing sector* from the reimbursement of state premium and accessories.

Moreover, in order to **reduce and prevent the excessive increase of indebtedness** and to diminish the potential vulnerabilities related to credit risk, BNR adopted the following measures:

- *Increasing the capital countercyclical buffer rate at 0.5% (from 0%), as of 17 October 2022;*
- *Reducing the ratio between loan and collateral by 10 pps (equivalent to a 10 pps increase of the advance payment required) for loans granted to natural persons for purchasing real estates which will not be used as own home, from 1 April 2022.*

Regarding **capital market**, given the size of the investment funds sector in Romania and investors' interest, in 2021, the Financial Supervisory Authority (ASF) conducted an **exercise to test the liquidity of investment funds** and their ability to meet the redemption demands in the event of significant adverse flows. The exercise included 76 Undertakings for Collective Investment in Securities and 19 Alternative Investment Funds (AIF), excluding the AIF traded on a regulated market and not having the possibility of redeeming titles at investors' request (*Fondul Proprietatea* and the five financial investment companies). The results indicate that **all open-end investment funds have the capacity to withstand liquidity shocks**, as most fund managers have a prudent and conservative strategy, with sufficient liquidity to cover investors' redemptions. A summary of the results of the stress test is presented in the *Report on the stability of non-banking financial markets No 2/2021*.

In the **insurance sector**, in 2020 and 2021, ASF and the European Insurance and Occupational Pensions Authority (EIOPA) carried out an **independent exercise for assessing the insurance sector in Romania** through a *Balance Sheet Review*. The exercise included 24 insurance companies and had as reference date 30 June 2020. The final report of the consultant (which included representatives of both authorities) provided an *image of the risks and vulnerabilities of the insurance sector in Romania*. Based on the results of the assessment and analysis of prudential indicators, the *participating companies were classified and subjected to differentiated remedial measures*, depending on the size of the capital deficit resulting from the assessment exercise, without prejudice to adjustments made because of the measures taken after the reference date.

2019.CSR2.Subpart2: Ensure the sustainability of the public pension system and ...

Measures

The measure is addressed through the NRRP.

2019.CSR2.Subpart3: ... the long-term viability of the second pillar pension funds.

Measures

The provisions of the Government Emergency Ordinance (GEO) No 114/2018 were amended by GEO No 38/2019 and GEO No 1/2020. Thus, the possibility to waive the

second pension pillar after a 5-year contributory period was eliminated, while the increase in the minimum capital requirements was cancelled.

In 2022, the provisions on the second pension pillar have been amended again. Thus, according to GEO No 23/2022 on supplementing Law No 411/2004 on privately managed pension funds (art. 43), as of 1 January 2024, the contribution quota to the pension fund is 4.75%.

2019.CSR3

2019.CSR3.Subpart1: Improve the quality and inclusiveness of education, in particular for Roma and other disadvantaged groups.

Measures

Please refer to the measures included in the context of 2020.CSR2.Subpart6.

2019.CSR3.Subpart2: Improve skills, including digital, in particular by increasing the labour market relevance of vocational education and training and higher education.

Measures

Please refer to the measures included in the context of 2020.CSR2.Subpart5.

2019.CSR3.Subpart3: Increase the coverage and quality of social services and...

Measures

Please refer to the measures included in the context of 2020.CSR2.Subpart3.

2019.CSR3.Subpart4: ...to complete the minimum inclusion income.

Measures

The reform of Minimum Inclusion Income is addressed through the NRRP.

(1) Amending the Law No 416/2001 on the guaranteed minimum income - in order to raise the labour market transition of people able to work, the social assistance is extended by six months if the beneficiaries are employed for at least 24 months; the

beneficiaries have the opportunity to participate in the "Second Chance" education programmes; in order to stimulate the active behaviour in the labour market, the persons able to work have the responsibility to contact the employment agencies in order to benefit by measures that facilitate their employment, every six months or whenever required; (2) Means testing programmes: family support allowance granted to an average monthly number of 150,096 families; guaranteed minimum income granted to an average monthly number of 168,023 families or single persons; house heating allowance granted to 63,102 beneficiaries (families or single persons); (3) The value of the Social Reference Index (SRI), used as a basis for calculating the social benefits, is updated annually with the average annual inflation rate of the previous year, ex officio, on 1st of March. Assuming that the average annual inflation rate is negative, the last value of SRI is maintained. The increase of SRI value will lead to changes in the amounts of social assistance benefits that currently report to SRI, including the social assistance benefit and family support allowance.

2019.CSR3.Subpart5: Improve the functioning of social dialogue.

Measures

The measure is addressed through the NRRP.

2019.CSR3.Subpart6: Ensure minimum wage setting based on objective criteria, consistent with job creation and competitiveness.

Measures

The measure is addressed through the NRRP.

2019.CSR3.Subpart 7: Improve access to and cost-efficiency of healthcare, including through the shift to outpatient care.

Measures

Increasing the accessibility and resilience of the health system by implementing the reform in the field is an objective included in the Programme for Government 2021-2024 and it is one of the main priorities at national level. This priority will be supported through investments financed from the Romanian NRRP, but also from the new Operational Programme dedicated to health sector (created within the 2021-2027 financial exercise).

In recent years, in order to increase the access of individuals, including of vulnerable people, to quality medical services, the implementation of the health/ screening programmes on various topics has continued and the report *Needs Assessment and*

behaviours for health in the vulnerable population was drafted. In addition, the 2014-2021 EEA and Norwegian grants contribute with a total budget of 47 million euro to improve the disease prevention policies and services, and to increase access to health care services for vulnerable groups; seven projects are under implementation, and two appeals are under evaluation having as contractual completion term: Q3/2022. In late 2020, the project *Strengthening the national network of primary healthcare providers to improve the health of the population, children and adults (including vulnerable persons)* started, with an implementation period of 36 months. Within this project, 10 practice guidelines for the community health care have been developed, a health needs assessment is being carried out at the community level, and an integrated database has been created which, by the time of reporting, included health indicators collected from seven counties. During Q3/2018 and Q3/2021, 657,607 low and middle income retirees (with an income up to 990 lei/month, respectively an income up to 1,139 lei/month as of 1 September 2019, respectively 1,299 lei/month as of 1 September 2020) benefited from medicines in outpatient care. 45 community health centres became operational. The project *Creating and implementing of integrated community services in order to combat poverty and social exclusion* is under implementation.

The package of medical services provided has been extended, and services in the treatment facilities of the rehabilitation and physical medicine outpatient clinic have been developed for patients with aggravated post-COVID related disorders. Access to specific medical devices has been extended. Access of the insured persons to the paraclinical investigations performed on an outpatient basis continued. These medical investigations are necessary for the monitoring of patients diagnosed with COVID-19, as well as of patients diagnosed with oncological diseases, diabetes, rare diseases, cardiovascular disorders, cerebrovascular disorders, neurological disorders.

To provide safe and quality medical services for patients, the projects *Increasing the institutional capacity for the coordinated national development of the palliative care and home care* (SIPOCA 733) and *Development and introduction of systems and standards in the MS that streamline the decision-making processes regarding the vaccination activity in Romania* are under implementation.

Several steps were taken by the Ministry of Health (MS) to elaborate a new national strategy in the field, related to the 2021-2027 programming period, for which the Master Plans for medical services for the North-East, North-West and South-West regions were approved. The draft strategy is published on the MS website.

In 2021, in order to improve the efficiency and financial sustainability of the health system, the share of expenses for outpatient medical services was 17.84%, the highest percentage (8.56%) being oriented towards primary health care.

During 2020-2021, four updates of the list of medicines were made and 100 new International Non-proprietary Names related to various diseases were included for reimbursement purposes, while the project *Improving the quality and the performance of hospital services through cost assessment and standardization* (SIPOCA 724) is underway.

In February 2022, in order to extend the mandate of National Office for Centralized Procurement (ONAC) for the centralized public procurement of medical products, the MF has initiated the inter-ministerial approval process for the legislative amendments required for the revision of the normative act in the matter. The Romanian Government aims to achieve savings in the health sector through intending to extend the ONAC's mandate for the centralized public procurement of medical products.

In view of modernizing the health infrastructure and healthcare network at regional level, the MS builds three regional emergency hospitals (REHs). During 2020, the major

project applications were approved by the EC, and the financing contracts for the three projects with a non-reimbursable value of 1.63 billion euro (from the Regional Operational Programme/ROP 2014-2020, Health Operational Programme/HOP 2021-2027 and co-financing from the State Budget) were signed, in two phases. The public procurement procedures related to the construction projects of Iasi, Cluj, Craiova REHs were initiated, being currently in progress. The hospitals construction works will be carried out between 2024-2027. In order to ensure the national contribution (of approximately 50% of the total value of the investment), the Romanian Government signed Loan Agreements with the EIB during 2021 for REH Iasi (250 million euro) and Cluj (305 million euro). In early 2022, the Loan Agreement for REH Craiova is scheduled for signing (368 million euro). Regarding the public procurements, the contract of architectural design services for REH Iasi was awarded at the end of 2021, and the contract of architectural design services for REH Cluj was signed in April 2022. Moreover, during 2021, the evaluations for the tender offers for technical verification services of the projects were completed, the contract for REH Iasi being already signed, while in the case of Cluj and Craiova REHs, they will be signed after awarding the architectural design contracts. The REH projects in Iasi, Cluj, Craiova were included in Axis 4 of the new 2021-2027 Operational Health Programme (HOP) in order to obtain non-reimbursable funds.

177 project applications on the ambulatory care infrastructure and 69 project applications regarding the integrated community centres infrastructure have been submitted for financing from the ROP.

During 2019-2021, in order to reduce the morbidity and mortality from communicable and non-communicable diseases, more than 35 national campaigns were set up to inform/ train people, at local level, in vulnerable communities, on various topics (including vaccination and identification of communities at risk of contracting Hepatitis A). Medical staff has been trained to detect and treat the patients with chronic liver disease.

Digitalisation of the health system has continued after the publication of the GEO No 196/2020, which regulated the field of telemedicine, the MS being in the process of elaborating the methodological norms for the implementation thereof, which will be approved by the GD. Under the Competitiveness Operational Programme, two project applications were submitted by the MS to strengthen the integrated IT system in the field of e-health (including telemedicine). Thus, the implementation of the project *Information System for Health Records - RegInterMed* started in January 2021 and the implementation for the second project, *IT System for Clinical Records of ATI units*, started in May 2021. Moreover, the project *Integrated Management System in the Social Health Insurance System*, financed under the Administrative Capacity Operational Programme is being implemented by CNAS. The objective of this project is to develop an integrated management system to support a continuous high-performance decision-making and an evidence-based strategic planning to achieve the institutional goals.

Note: This information above should be correlated with the details provided in the section referring to the implementation of 2020.CSR1 on the health sector.

2019.CSR4

2019. CSR4.Subpart1: Focus investment-related economic policy on transport, in particular on its sustainability, low-carbon energy and energy efficiency, environmental infrastructure as well as innovation, taking into account regional disparities.

Measures
Please refer to the measures adopted/ ongoing measures included in the context of 2020.CSR3.Subpart4.

2019.CSR4.Subpart2: Improve preparation and prioritisation of large projects and accelerate their implementation.

Measures
Please refer to the measures adopted/ ongoing measures included in the context of 2020.CSR3.Subpart2.

2019.CSR4.Subpart3: Improve the efficiency of public procurement and ensure full and sustainable implementation of the national public procurement strategy.

Measures
<p><i>Public procurement reform</i></p> <p>The implementation of the project <i>Support in the implementation of the National Strategy in the field of public procurement by strengthening the administrative capacity of National Agency of Public Procurement (ANAP) and the contracting authorities (SIPOCA 625)</i> continues, respectively the activities aiming at improving public procurement transparency and efficiency, increasing the administrative capacity of the contracting authorities and pursuing the ex-ante control reform.</p> <p>To improving public procurement transparency and efficiency, the <i>evaluation of the public procurement</i> and the impact of the implementation of the National Strategy in the field was accomplished. The World Bank elaborated a Report comprising the evaluation of the Romanian public procurement system.</p> <p>With regard the <i>development of a two-module IT application</i> (for the legislative screening by the National Agency for Public Procurement (ANAP) and for ensuring the transparency of draft normative acts/ instruments initiated by ANAP), the feasibility study for the IT application and a presentation of the prototype of the legislative screening module were elaborated. The functionalities included in the first stage do not allow the implementation by default of some main actions of the legislative screening activity. Depending on the financial estimate of the development of new</p>

functionalities developed by the WB, the possibility of including them within the SIPOCA 625 project will be discussed.

In addition, measures to **strengthen the administrative capacity of the contracting authorities**, with a focus on professionalism and integrity issues, will continue to be implemented. In order to **professionalize the persons responsible for conducting public procurement**, the competency frameworks for two public functions were developed, i.e. procurement advisor and public procurement system advisor, and the documents needed for the revision of the *public procurement expert* occupational standard were elaborated. Following the elaboration of the documents by the WB representatives, nine dissemination sessions of the competency frameworks and two public debates on the revision of the *public procurement expert* occupational standard were held. The final version of the competency frameworks was approved by ANAP in the first semester of 2021. The National Authority approved the draft of the revised occupational standard for Qualifications (ANC) by Decision No 358/12.08.2021. The revised occupational standard related to the occupation of *public procurement expert* (Classification of Occupations in Romania/COR code 242116) was registered with the Register of standards and published on the National Qualifications Agency (ANC) website. After the approval of the revised occupational standard, nine online dissemination sessions of the document were organized. At the same time, the *Study on the introduction of the position of acquirer as a profession and of a reward system* was approved by ANAP; the study was the subject of a complex review process by the WB, as a result of the comments made by ANAP. The conclusions of this study will be used in the process of drafting the new strategy in the field of public procurement.

In order to **support 160 contracting authorities in view of streamlining the public procurement process and uniformly applying the norms and procedures in the field of public procurement**, 136 protocols with contracting authorities were signed and 101 workshops were held - with the WB team - on conducting the procedure, evaluation and contract awarding. Taking into account the restrictions imposed by the Covid-19 pandemic, restructuring of workshops and workplace assistance activities for contracting authorities was necessary. A series of complementary measures conceived to allow further implementation of the activity in good conditions are currently being reviewed.

In view of **carrying out specialized training and professional development programmes**, WB support was requested; to this end, the *Report on the analysis of the training and professional development needs of the personnel responsible for public procurement in contracting authorities and entities*, which will contribute to the elaboration of the specialized training programme, was drafted by the WB.

In view of **setting up at least two pilot units for centralized procurement at local level (UCAs)**, the management strategy of stakeholders was completed, and 12 cooperation protocols between ANAP and a series of stakeholders were signed; moreover, the cooperation protocols between ANAP and the three partner organizations selected for UCA piloting (Harghita County Council, Sibiu County Council and Timisoara Mayorality), as well as the cooperation protocols with the partner organizations interested in the elaboration of the roadmaps were signed; action plans for the setting up of the three UCAs were developed.

For **continuing the ex-ante control reform in order to strengthen the ANAP capacity of performing sectoral verifications**, the activity of supplying support in view of carrying out the ex-ante control is under implementation; this activity provides for the preparation of documents (opinions, guidelines or studies) on certain sectoral and public procurement issues encountered in the ex-ante control activity. The activity of

preparing various opinions, guidelines or studies is being supplemented by the continuous on-the-job assistance activity, upon request, depending on the various specific situations faced by the ex-ante control and which may generally have a specific nature by reference to specific award procedures. Consultants have also been contracted at EIB level as a third party to provide assistance to the ex-ante control staff for a period of 24 months. At the same time, the sampling methodology was updated and the sampling tools were developed (a dedicated IT software). Currently, a series of non-sectorial trainings are ongoing for ANAP employees who carry out the ex-ante control, to improve their level of general professional skills, and the understanding of the markets and the relevant fields (e.g. project management, risk assessment, conflict management, and performance evaluation). Provisioning the necessary technical support for the verification of the technical specifications for the procedures that make the object of the pilot project IT&C started in late 2021.

Ensuring the quality of the centralized public procurement process and implementing methods to streamline and effectively manage this process are being achieved through the project *Development and implementation of integrated electronic mechanisms for the unfolding and monitoring of centralized procurement* (SIPOCA 753), benefiting from a total budget of 49.99 million lei and an implementation timeframe of 36 months. Under this project, four inter-institutional working groups were set up: three for the centralized procurement of services and products (mobile telephony services, fuel, and furniture) and one for the centralized procurement of medical products and services for the entities within the *National System of emergency healthcare and qualified first aid*. On 2 December 2020, the National Office for Centralized Procurement (ONAC) endorsed a report of the WB experts regarding the *Recommendations to amend the existing legislative framework in order to extend the mandate of ONAC and MAI-DSU for the centralized procurement of medical products and services for the entities within the National Emergency and Qualified First Aid System/ SNAMUPAC* (county ambulance services, Bucharest-Ilfov Ambulance Service, emergency admission units and centres within the emergency hospitals, and SMURD). *The Substantiation Note amending and supplementing GEO No 46/2018 on the establishment, organization and functioning of ONAC and the GD No 119/2019 for the approval of the implementing regulation for the application of the provisions of GEO No 46/2018 on the establishment, organization and functioning of ONAC and for amending the Annex No 1 of the GD no/ 502/2018*, as well as the proposed legislative amendments are going to be submitted to Ministry of Finance in January 2022, in order to initiate the amendment of the normative act. *The practical guidelines to avoid potential blockages that may occur in the conduct of centralized procurement procedures* was developed by the National Council for Solving Complaints (CNSC) experts.

On 14 October 2020, ONAC and EIB signed the Technical Assistance Services Agreement for Projects/ PASSA Agreement, which provides, inter alia, for support granted by EIB for the implementation of *five centralized procurement procedures* through pilot projects. In December 2020, the EIB team completed the evaluation of the offers related to the hiring of third-party experts for consulting services in the areas of the centralized public procurement for products and services from the categories stipulated in art. 3 of the Implementing regulation for the application of the provisions of GEO No 46/2018. The award documentation for the centralized procurement procedures for stationery and office supply, and the provision of mobile telephony services were finalized and can be used as a model by other contracting authorities, being of real help in preparing a sound award documentation, in defining the appropriate selection and award criteria, in analysing risks and transposing them into

contractual clauses, and in monitoring the performance indicators of suppliers/ providers.

During 2021, *four working tools* for streamlining centralized public procurement were defined: (1) the organization and functioning of the working groups; (2) the implementation of means and methods to mitigate the risks on ensuring integrity, as well as of anti-corruption measures; (3) carrying out the standardization process of the technical specifications; (4) organizing and unfolding the market consultation process, including the methodology for carrying out/ conducting market research that will be implemented at ONAC level, applicable to products/ services which can be subject of a centralized procurement.

As a result of the *Analysis of the vocational training needs*, the *Vocational Training Plan* of ONAC, the National Council for Solving Complaints (CNSC), the Ministry of Internal Affairs (MAI) - Department of Emergency Situations (DSU), and the General Inspectorate for Emergency Situations (IGSU) was elaborated; moreover, between May 2021 and September 2022 nine training sessions for 180 people will be held. In the period May - December 2021, 93 persons were trained.

As regards the **centralized procurement procedures in the medical field**, the effect of the pandemic and the involvement of ONAC and DSU in the procurements, which stipulate the provision of emergency medical stocks, have resulted in slowing down the legislative process to extend the mandate of ONAC and DSU, leading to their postponement for Q2/2022. In November 2020, the WB experts developed the tender specifications and technical data for the purchase of 124 batches of medical products.

As regards the **digitalisation of ONAC**, according to the RAS agreement - *Support for the ONAC digitalisation*, signed on 23 September 2020, ONAC receives assistance from the WB in conducting a business analysis and an IT strategy, in elaborating the technical specifications for the development of the centralized procurement electronic system and for the necessary hardware equipment, as well as in monitoring the procurement contracts for software development and hardware supply. In June 2021, ONAC approved the *Business analysis* and the *IT strategy for the development of the electronic system for centralized procurement*, carried out by the WB. Through this system, the planning steps of the centralized procurement and the monitoring stages of the centralized framework agreements and of subsequent contracts concluded by users will be digitalised and the centralized public procurement process will be carried out by electronic means (the organization phase of the award procedure is done by SEAP). The contract for the procurement of services to develop the centralized procurement platform was signed in February 2022. At the same time, the market consultation in view of initiating the open tender procedure having as object the provision of the hardware needed for the operation of the centralized public procurement electronic platform took place in the period 15-30 March 2022.

2019.CSR5

2019.CSR5.Subpart1: Ensure that legislative initiatives do not undermine legal certainty by improving the quality and predictability of decision-making, including by appropriate stakeholder consultations, effective impact assessments and streamlined administrative procedures.

Measures

More information regarding the adopted measures is available in the section dedicated to

2019.CSR5Subpart2: Strengthen the corporate governance of state-owned enterprises.

Measures

Ministry of Finance (MF), through its competent bodies, constantly pursues the **implementation of corporate governance**, including through control actions. In case of non-compliance with legal provisions, civil sanctions are being applied, according to the legal provisions in force.

In 2020, 157 inspections took place, and 83 fines totalling 281,000 lei were applied. During 2021, the control structure within MF - Directorate General for Economic and Financial Inspection (DGIEF) carried out 35 inspections with the objective of checking the compliance with the provisions of *GEO No 109/2011 on corporate governance of public enterprises*, out of which 16 were completed, reporting 30 contraventions and applying 30 sanctions, out of which 28 fines amounting to 92,000 lei and two warnings. The 19 inspections that were not completed were initiated by the central public tutelary authorities in late 2021, having as objective checking the compliance with the provisions of *GEO No 109/2011* concerning the selection of administrators. Moreover, in 2021, the territorial structures of the economic and financial inspection under ANAF, methodologically coordinated by DGIEF, carried out 31 inspections with the same objective, reporting 87 contraventions and applying 87 sanctions, out of which 69 fines amounting to 255,000 lei, and 18 warnings.

Control actions having as objective the compliance with the provisions of the *GEO No 109/2011* is a continuous and constant preoccupation of DGIEF, therefore such controls will take place throughout 2022.

The annual report on the activity of public enterprises in 2020 was prepared and approved by the ministry's leadership, being published on the ministry's website pursuant the provisions of art. 58, para. (4) of *GEO No 109/2011*. From the perspective of applying the normative framework on the selection of administrators/ directors, during 2020, from the total of 151 central public enterprises compelled to put into practice the provisions of the *GEO No 109/2011*, 92 enterprises are in various stages of the selection process, i.e. launched, resumed and finalized.

REPORTING EXTRACTED FROM THE EC'S ELECTRONIC DATABASE FENIX ON THE IMPLEMENTATION OF THE NATIONAL RECOVERY AND RESILIENCE PLAN

CSR subpart	Measure name	Milestone/Target name	Progress status	Due date
2019.CSR4.subpart1 2019.CSR4.subpart2 2020.CSR3.subpart6	Strengthening the regulatory framework for the sustainable management of the water and wastewater sector and accelerating public access to quality services under European directives	Entry into force of the amendments to the Law No 241/2006 on water supply and sewerage	Completed	Q4/2021
2019.CSR4.subpart1 2019.CSR4.subpart2 2020.CSR3.subpart6	Strengthening the regulatory framework for the sustainable management of the water and wastewater sector and accelerating public access to quality services under European directives	Entry into force of the law approving the national programme First Connection to Water and Sanitation	Completed	Q1/2022
2019.CSR4.subpart1 2019.CSR4.subpart2 2020.CSR3.subpart6	Strengthening the regulatory framework for the sustainable management of the water and wastewater sector and accelerating public access to quality services under European directives	Implementation agreements signed with the local authorities participating in the First Connection to Water and Sanitation Programme	On track	Q4/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Sustainable urban mobility	Signature of contracts for the renewal of public transport fleets (procurement of clean vehicles)	On track	Q4/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Sustainable urban mobility	Signature of contracts for the provision of ITS/other ICT infrastructure	On track	Q4/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Sustainable urban mobility	Signature of contracts for building electric vehicle recharging points	On track	Q4/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Sustainable urban mobility	Signature of contracts for investments in cycling infrastructure at local/metropolitan level	On track	Q4/2022
2019.CSR3.subpart1 2020.CSR1.subpart3	Construction of housing for youth and for professionals in health and education	Signature of all public contracts for building housing for young people coming from vulnerable communities and groups, emergency housing and for health and education	On track	Q4/2022

		professionals in urban or rural areas		
2019.CSR1.subpart1 2020.CSR2.subpart4 2020.CSR3.subpart2	Moderate rehabilitation of public buildings to improve public service delivery by administrative territorial units	Signature of contracts for the moderate renovation of public buildings	On track	Q4/2022
2020.CSR3.subpart4 2020.CSR3.subpart5 2020.CSR4.subpart1	Development/updating in GIS format of spatial planning and urban planning documents	Signature of contracts for the development/updating of spatial planning, urban planning and sustainable urban mobility plans documentation	On track	Q4/2022
2020.CSR3.subpart4 2020.CSR4.subpart1 2020.CSR4.subpart2	Creating the framework for sustainable urban mobility	Entry into force of legislation in the field of sustainable urban mobility	On track	Q4/2022
2020.CSR3.subpart4 2020.CSR4.subpart1 2020.CSR4.subpart2	Creating the framework for sustainable urban mobility	Entry into force of the ministerial order establishing a structure for the provision of technical assistance for the development of Sustainable Urban Mobility Plans (SUMP) and updating the SUMP established and operational	On track	Q4/2022
2020.CSR1.subpart1 2020.CSR4.subpart1 2020.CSR4.subpart2	Creating the framework for sustainable urban transformation	Entry into force of the Metropolitan Areas Act	On track	Q2/2022
2020.CSR1.subpart1 2020.CSR4.subpart1 2020.CSR4.subpart2	Creating the framework for sustainable urban transformation	Entry into force of the Government Decision establishing the Romanian Urban Policy Framework	On track	Q4/2022
2020.CSR2.subpart6 2020.CSR4.subpart1 2020.CSR4.subpart2	Creating the policy framework for sustainable rural transformation: establishing administrative consortia in functional rural areas	Entry into force of the legislative act amending the Administrative Code and establishing of administrative consortia in neighbouring rural or predominantly rural administrative territorial units, existing as functional rural areas	On track	Q4/2022
2019.CSR3.subpart3 2020.CSR2.subpart3 2020.CSR3.subpart2 2020.CSR3.subpart4	Improving housing quality	Entry into force of legislative act for the implementation of the National Housing Strategy and Action Plan to decrease severe housing deprivation	On track	Q2/2022
2020.CSR4.subpart1 2020.CSR4.subpart2	Development of the planning system - Code of Spatial Planning, Urbanism and Construction	Entry into force of the Code of Spatial Planning, Urban Planning and Construction	On track	Q1/2023
2019.CSR4.subpart1 2020.CSR2.subpart6	Promotion of the 12 touristic/cultural routes	Sites that shall be included in the cultural routes	Completed	Q1/2022
2019.CSR4.subpart1 2020.CSR2.subpart6	Promotion of the 12 touristic/cultural routes	Signature of the contracts for the promotion of the 12 routes	On track	Q3/2022

2019.CSR4.subpart1 2020.CSR2.subpart6	Promotion of the 12 touristic/cultural routes	Signature of the contracts for the restoration/ renovation works for the sites included in the 12 cultural routes	On track	Q1/2023
2019.CSR4.subpart1 2020.CSR2.subpart6	Modernisation/creation of museums and memorials	Signature of the contracts for the building works of the museums	On track	Q1/2023
2019.CSR4.subpart1 2020.CSR3.subpart5	Establishment and operationalisation of the Velo National Coordination Centre	Integrated National eVelo Platform and smartphone application	On track	Q3/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Implementation of 3 000 km of cycling routes	Signature of the contracts for cycling routes	On track	Q4/2022
2019.CSR3.subpart1 2020.CSR2.subpart6	Increasing access to culture in culturally deprived areas	Signature of the financing contracts	On track	Q1/2023
2019.CSR3.subpart2 2019.CSR4.subpart1 2020.CSR3.subpart3	Operationalisation of Destination Management Organisations (DMOs)	All the optimum destination areas for regional Destination Management Organisations (DMOs) in Romania mapped	Completed	Q1/2022
2019.CSR3.subpart2 2019.CSR4.subpart1 2020.CSR3.subpart3	Operationalisation of Destination Management Organisations (DMOs)	Action plan for the use of cultural heritage to increase the competitiveness of the Romanian tourism sector	Completed	Q1/2022
2019.CSR3.subpart2 2019.CSR4.subpart1 2020.CSR3.subpart3	Operationalisation of Destination Management Organisations (DMOs)	Entry into force of the legislative framework by Government Decision which shall include a clear description of the financing mechanism to support the development of the network of DMOs and a clear governance model	On track	Q3/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Framework for the operationalisation of cycling routes at national level	Entry into force of the regulatory framework on cycling tourism	Completed	Q1/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Framework for the operationalisation of cycling routes at national level	National Coordination Centre Velo Routes established and operational	On track	Q2/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Framework for the operationalisation of cycling routes at national level	Comprehensive study on the territorial distribution of national cycling routes	On track	Q3/2022
2019.CSR3.subpart3 2020.CSR2.subpart6	Reforming the funding system for the cultural sector	Entry into force of the law on the funding system for the cultural sector	On track	Q3/2022
2019.CSR3.subpart3 2020.CSR2.subpart6	Reforming the funding system for the cultural sector	Entry into force of the law on the statute of cultural workers	On track	Q1/2023
2019.CSR3.subpart7 2020.CSR1.subpart3 2020.CSR2.subpart3	Development of pre- hospital medical infrastructure	Adoption of criteria for prioritising investments in integrated community centres	Completed	Q4/2021
2019.CSR3.subpart7 2020.CSR1.subpart3	Increased capacity for the management of public health funds	Entry into force of the ministerial order for the performance and quality	On track	Q4/2022

		indicators to be used for the selection of the medical units benefiting from the Health Quality Fund		
2019.CSR3.subpart7 2020.CSR1.subpart3	Increased capacity to undertake investments in health infrastructure	Entry into force of the legislative framework establishing the National Agency for Infrastructure Development in Health (ANDIS)	On track	Q2/2022
2019.CSR3.subpart7 2020.CSR1.subpart3	Increased capacity for health management and human resources in health	Entry into force of the legislative framework for the Increased capacity for health management and human resources in health	On track	Q2/2022
2019.CSR3.subpart7 2020.CSR1.subpart3	Increased capacity for health management and human resources in health	Entry into force of legislation for the strategic framework for the development of human resources in health	On track	Q2/2022
2019.CSR3.subpart7 2020.CSR1.subpart3	Increased capacity for health management and human resources in health	Development of human resources in health	On track	Q4/2022
2019.CSR3.subpart3 2020.CSR2.subpart2 2020.CSR2.subpart3	Creating a new legal framework to prevent the separation of children from their families	Entry into force of a legislative act necessary to prevent the separation of children from the family and support for vulnerable families	On track	Q4/2022
2019.CSR3.subpart3 2020.CSR2.subpart2	Reform of the protection system for adults with disabilities	Entry into force of the legislative act for the implementation and operationalisation of the Guide to Accelerating the De-institutionalisation Process	On track	Q4/2022
2019.CSR3.subpart3 2020.CSR2.subpart2	Reform of the protection system for adults with disabilities	Entry into force of the law to support the implementation of the adopted national strategy for the prevention of institutionalisation	On track	Q4/2022
2019.CSR3.subpart4	Implementation of the Minimum Inclusion Income (VMI)	Entry into force of the law approving the implementing rules for the application of VMI	On track	Q3/2022
2019.CSR3.subpart3 2019.CSR3.subpart4 2020.CSR2.subpart3	Introduction of work cards and formalisation of work in domestic workers	Entry into force of legislation, and its implementing rules, for the domestic workers voucher system	On track	Q1/2022
2019.CSR3.subpart3 2019.CSR3.subpart5	Improvement of the social economy legislation	Entry into force of the amendment of Law No 219/2015 on the social economy and the implementing rules	On track	Q2/2022
2019.CSR3.subpart3	Reform of long-term care services for older people	Entry into force of a law for the adoption and implementation of the National Long-Term-Care Strategy	On track	Q4/2022

2019.CSR3.subpart5 2019.CSR5.subpart1 2020.CSR4.subpart2	Increasing the capacity of civil society organisations to foster active citizenship, to engage professionally in the planning and implementation of public policies on social rights addressed by the national recovery and resilience plan and to monitor related reforms	Entry into force of social dialogue legislation, providing for meaningful and timely social dialogue and collective bargaining, in line with the ILO Recommendations	On track	Q4/2022
2019.CSR5.subpart1 2020.CSR4.subpart2	Monitoring and implementation of the plan	Audit and Controls: information for monitoring implementation of the recovery and resilience plan	Not completed	Q4/2021
2019.CSR5.subpart1 2020.CSR4.subpart2	Monitoring and implementation of the plan	Entry into force of a Government Ordinance enacting the legal mandate of the Ministry of Investments and European Project (MIPE), Ministry of Finance (MoF) and the Audit Authority (AA)	Not completed	Q4/2021
2019.CSR5.subpart1 2020.CSR4.subpart2	Enhancing the predictability and efficiency of decision-making processes by strengthening the capacity for policy coordination and impact analysis at the level of the government and coordinating ministries, as well as by strengthening the tools to increase the quality of public consultations at all levels of the administration	Entry into force of the methodologies and procedures to improve public policy rationale and planning and administrative simplification	Completed	Q1/2022
2019.CSR5.subpart1 2020.CSR4.subpart2	Enhancing the predictability and efficiency of decision-making processes by strengthening the capacity for policy coordination and impact analysis at the level of the government and coordinating ministries, as well as by strengthening the tools to increase the quality of public consultations at all levels of the administration	Entry into force of a legislative act operationalising a structure to ensure the implementation of an effective regulatory quality control mechanism	Completed	Q1/2022
2019.CSR5.subpart1 2020.CSR4.subpart2	Enhancing the predictability and efficiency of decision-making processes by strengthening the	Entry into force of guidelines for appropriate use and enforcement of the Single Register of Interest Transparency (RUTI)	On track	Q3/2022

	capacity for policy coordination and impact analysis at the level of the government and coordinating ministries, as well as by strengthening the tools to increase the quality of public consultations at all levels of the administration			
2019.CSR5.subpart1 2020.CSR4.subpart2	Enhancing the predictability and efficiency of decision-making processes by strengthening the capacity for policy coordination and impact analysis at the level of the government and coordinating ministries, as well as by strengthening the tools to increase the quality of public consultations at all levels of the administration	Entry into force of the Methodology for the use of Emergency Ordinances	On track	Q3/2022
2019.CSR5.subpart1 2020.CSR4.subpart2	Enhancing the predictability and efficiency of decision-making processes by strengthening the capacity for policy coordination and impact analysis at the level of the government and coordinating ministries, as well as by strengthening the tools to increase the quality of public consultations at all levels of the administration	Entry into force of the legislative amendments to ensure publication of the full text of the laws after amendments	On track	Q3/2022
2019.CSR4.subpart2 2019.CSR5.subpart1 2020.CSR4.subpart2	Strengthening coordination at the centre of government through an integrated and coherent approach to climate change and sustainable development initiatives	Operationalisation of an Inter-Institutional Climate Committee	On track	Q2/2022
2019.CSR5.subpart1 2020.CSR4.subpart1 2020.CSR4.subpart2	Ensuring the independence of the judiciary, enhancing its quality and efficiency	Entry into force of the government decision approving the strategy for the development of the judiciary 2022-2025	Completed	Q1/2022
2019.CSR5.subpart1 2020.CSR4.subpart1 2020.CSR4.subpart2	Ensuring the independence of the judiciary, enhancing its quality and efficiency	Entry into force of the law amending the powers of the National Agency for the Management of Seized Assets	On track	Q2/2022
2019.CSR5.subpart1 2020.CSR4.subpart1 2020.CSR4.subpart2	Ensuring the independence of the	Amendment of the Criminal Code and Criminal Procedure Code	On track	Q4/2022

	judiciary, enhancing its quality and efficiency			
2019.CSR5.subpart1 2020.CSR4.subpart2	Stepping up the fight against corruption	Entry into force of the government decision approving new National Anti-Corruption Strategy	Completed	Q4/2021
2019.CSR5.subpart1 2020.CSR4.subpart2	Stepping up the fight against corruption	Entry into force of the law on whistle-blowers' protection	Not completed	Q1/2022
2019.CSR4.subpart3	Reforming the national procurement system	Entry into force of the amendment of national legislation on remedies (Law No 101/2016)	Completed	Q1/2022
2019.CSR5.subpart2	Improve the procedural framework for the implementation of corporate governance principles in state-owned enterprises	Entry into force of updated legislation for state-owned companies	On track	Q4/2022
2019.CSR5.subpart2	Improve the procedural framework for the implementation of corporate governance principles in state-owned enterprises	Operationalisation of the task force at the Centre of the Government for Corporate Governance Policy Coordination and Monitoring	On track	Q4/2022
2019.CSR3.subpart1 2020.CSR2.subpart6	Construction, equipping and operationalisation of 110 crèches	Signature of contracts with public operators (municipalities) for the construction, equipment and operationalisation of 110 crèches	On track	Q2/2022
2019.CSR3.subpart1	Provision of facilities for pre-university classrooms and school laboratories/ workshops	Opening a call for tender for fitting classrooms with furniture	On track	Q3/2022
2019.CSR3.subpart1	Provision of facilities for pre-university classrooms and school laboratories/ workshops	Opening a call for tender for equipping science laboratories/ workshops	On track	Q3/2022
2019.CSR3.subpart1 2019.CSR3.subpart2 2020.CSR2.subpart5	Digitalisation of universities and preparation for the digital professions of the future	Signature of contracts for grants for innovative technology centres in universities	On track	Q2/2022
2019.CSR3.subpart1 2019.CSR3.subpart2 2020.CSR2.subpart5	Digitalisation of universities and preparation for the digital professions of the future	Signature of contracts for a grant scheme for the digitalisation of the National Council of Rectors	On track	Q4/2022
2019.CSR3.subpart1 2020.CSR2.subpart6	Setting up, equipping and operationalising 412 complementary services for disadvantaged groups	Signature of contracts for setting up, equipping and operationalising complementary services for disadvantaged groups	On track	Q1/2023
2019.CSR3.subpart1 2020.CSR2.subpart6	Supporting educational establishments with high risk of drop-outs	Open call for projects for the support of students for the transition from lower to upper secondary education, on the basis of 5 indicators defined in the Early Warning Mechanism in Education	Completed	Q4/2021

2019.CSR3.subpart1 2020.CSR2.subpart6	Supporting educational establishments with high risk of drop-outs	Educational establishments awarded with the grant scheme (Lot 1)	Completed	Q1/2022
2019.CSR3.subpart1 2019.CSR3.subpart2 2020.CSR2.subpart5 2020.CSR2.subpart6	Trainings for users of the Romanian Integrated Education Information System (SIIR) and the Early Warning Mechanism (MATE) IT tool and systemic interventions to reduce early school leaving	Users of the Romanian Integrated Education Information System (SIIR) and the MATE IT tool trained	On track	Q1/2023
2019.CSR3.subpart1 2020.CSR2.subpart6	Unitary, inclusive and quality early-childhood education system	- Entry into force of the Ministerial Order (MO) adopting the Cross-sectoral Framework Programme - Entry into force of the MO regulating the establishment, organisation and operation of complementary early-childhood education services	On track	Q4/2022
2019.CSR3.subpart1 2020.CSR2.subpart6	Reform of the compulsory education system to prevent and reduce early school leaving	Entry into force of the Government Decision establishing the implementation of the National Programme to reduce early school leaving	Completed	Q4/2021
2019.CSR3.subpart1 2020.CSR2.subpart6	Reform of the compulsory education system to prevent and reduce early school leaving	Entry into force of the Ministerial Order (MO) for the use of MATE tool at national level	On track	Q4/2022
2019.CSR3.subpart1 2020.CSR2.subpart6	Creation of a full professional route for higher technical education	Entry into force of the Government Decision approving the Methodology for organizing the complete dual route and the new qualifications resulting from the complete dual route	On track	Q3/2022
2019.CSR3.subpart1 2019.CSR3.subpart2 2020.CSR2.subpart5 2020.CSR2.subpart6	Adoption of the legislative framework for the digitalisation of education	Entry into force of the Ministerial Order (MO) to ensure standards for equipping schools with technological equipment and resources for educational purposes online and to ensure a sustainable impact of the proposed investments	Completed	Q1/2022
2019.CSR3.subpart1 2019.CSR3.subpart2 2020.CSR2.subpart5 2020.CSR2.subpart6	Adoption of the legislative framework for the digitalisation of education	Entry into force of the law setting out the profile of the future teacher on digital competence and how to assess digital competence in school examinations	On track	Q2/2022
2019.CSR3.subpart1	Updated regulatory framework to ensure environmentally friendly design, construction and endowment standards in	Entry into force of amendments to the legislative framework to increase the quality of learning environments	On track	Q2/2022

	the pre-university education system			
2019.CSR3.subpart1	Reform of the governance of the pre-university education system and professionalisation of management	Signature of the technical assistance contract for the development of the Governance Reform Action Plan, including the training and coaching programme for managers and inspectors	Completed	Q1/2022
2019.CSR3.subpart1	Reform of the governance of the pre-university education system and professionalisation of management	Publication and implementation of a Governance Reform Action Plan, including the training and coaching programme for managers and inspectors	On track	Q1/2023
2019.CSR4.subpart1 2020.CSR3.subpart6	Integrated flood risk mitigation systems in forest river basins	Adoption of project design	On track	Q1/2023
2019.CSR4.subpart1 2020.CSR3.subpart6	Reform of forest management and governance systems through the development of a new National Forest Strategy and subsequent legislation	Adoption of the National Forest Strategy 2020-2030	On track	Q3/2022
2019.CSR4.subpart1 2020.CSR3.subpart6	Reform of forest management and governance systems through the development of a new National Forest Strategy and subsequent legislation	Entry into force of amended Ministerial Ordinances laying down binding rules for afforestation and reforestation foreseen in the National Forestry Strategy 2020-2030	On track	Q3/2022
2019.CSR4.subpart1 2020.CSR3.subpart6	Reform of the management system of protected natural areas for the coherent and effective implementation of the European Biodiversity Strategy	Entry into force of the legislative act setting up the inter-institutional committee to analyse the legal framework applicable to sectors with an impact on biodiversity	On track	Q2/2022
2019.CSR4.subpart2 2020.CSR3.subpart6	Improving waste management governance to accelerate the transition to the circular economy	The adoption of the National Circular Economy Strategy	On track	Q3/2022
2019.CSR4.subpart2 2020.CSR3.subpart6	Improving waste management governance to accelerate the transition to the circular economy	Entry into force of the legislative acts necessary for an operationalisation of a unitary waste management in accordance with the National Waste Management Plan	On track	Q3/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Modernisation and renewal of railways infrastructure	Signature of contracts for 50% of the works related to modernisation, upgrade and renewal of railway infrastructure	On track	Q4/2022
2019.CSR4.subpart1 2019.CSR4.subpart2 2020.CSR3.subpart2	Development of the underground transport network in the	Signature of contracts for 50% of the works, following open and competitive	On track	Q4/2022

2020.CSR3.subpart4	municipalities of Bucharest and Cluj-Napoca	tenders and relevant permits obtained		
2019.CSR4.subpart1 2020.CSR3.subpart4	Sustainable transport, decarbonisation and road safety/Road decarbonisation in line with “polluter pays” principle	Adoption of the National Road Safety Strategy	On track	Q2/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Sustainable transport, decarbonisation and road safety/Road decarbonisation in line with “polluter pays” principle	Entry into force of the road safety law - legislation on monitoring, enforcement and sanctions on road safety offences	On track	Q4/2022
2019.CSR4.subpart1 2020.CSR3.subpart4	Sustainable transport, decarbonisation and road safety/Road decarbonisation in line with “polluter pays” principle	Adoption of the strategy for the development of railway infrastructure 2021-2025 and application of the action plan	Completed	Q4/2021
2019.CSR5.subpart2	Performance-based quality management in transport - Improving institutional capacity and corporate governance	Entry into force of the Law No 50/2021 for the approval of the Emergency Ordinance No 55/2016 on the reorganization of the National Company of Highways and National Roads in Romania - S.A. (C.N.A.I.R.) and the establishment of the National Road Investment Company - S.A. (C.N.I.R.)	Completed	Q2/2021
2019.CSR5.subpart2	Performance-based quality management in transport - Improving institutional capacity and corporate governance	Selection and appointment of members of the Board of Directors of C.N.A.I.R., C.N.I.R, C.F.R., Metrorex, C.F.R. Calatori.	On track	Q4/2022
2019.CSR4.subpart1	Establishment of a renovation wave fund to finance works to improve the existing building stock	Establishing a national support scheme for energy and efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of multifamily residential buildings	Completed	Q1/2022
2019.CSR4.subpart1	Establishment of a renovation wave fund to finance works to improve the existing building stock	Establishing a national support scheme for energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for public buildings)	Completed	Q1/2022
2019.CSR4.subpart1	Establishment of a renovation wave fund to finance works to improve the existing building stock	Calls for proposals for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for residential buildings	Completed	Q2/2022

2019.CSR4.subpart1	Establishment of a renovation wave fund to finance works to improve the existing building stock	Call for proposals for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) (public buildings)	Completed	Q2/2022
2019.CSR4.subpart1	Establishment of a renovation wave fund to finance works to improve the existing building stock	Signature of contracts for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for residential buildings	On track	Q4/2022
2019.CSR4.subpart1	Establishment of a renovation wave fund to finance works to improve the existing building stock	Signature of contracts for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for public buildings	On track	Q4/2022
2019.CSR3.subpart2	Strengthening the professional capacity of professionals and workers in the renovation sector by developing trainings on energy efficiency construction	Establishment of certification schemes in the field of energy performance of buildings	On track	Q1/2023
2019.CSR4.subpart1 2019.CSR5.subpart1 2020.CSR4.subpart1	Simplified and updated regulatory framework to support the implementation of investments in the transition to green and resilient buildings	Entry into force of the amendments to the existing legislative framework on the multiannual national programme for improving the energy performance of residential buildings (Government Emergency Ordinance No 18/2009)	On track	Q4/2022
2019.CSR4.subpart1 2019.CSR5.subpart1 2020.CSR4.subpart1	Simplified and updated regulatory framework to support the implementation of investments in the transition to green and resilient buildings	The technical regulatory framework on investments for the transition to green and digital buildings is operational	On track	Q4/2022
2020.CSR3.subpart4	Strategic, legislative and procedural framework to support seismic resilience of the buildings stock	Adoption and implementation of the National Seismic Risk Reduction strategy for the seismic retrofitting the existing building stock	On track	Q4/2022
2020.CSR3.subpart4	Strategic, legislative and procedural framework to support seismic resilience of the buildings stock	Entry into force of the new law on seismic risk reduction of buildings	On track	Q4/2022
2019.CSR4.subpart1 2020.CSR3.subpart3 2020.CSR3.subpart6	New capacities for electricity generation from renewable sources	Opening a call for tender for projects for the production of energy from renewable sources (wind and solar)	Completed	Q1/2022
2019.CSR4.subpart1 2020.CSR2.subpart3 2020.CSR3.subpart6	Distribution infrastructure of renewable gases (using natural gas in combination with green hydrogen as a	Signature of contracts for the construction of at least 100MW of new electrolysers capacity	On track	Q2/2022

	transitional measure), as well as green hydrogen production capacities and/or its use for electricity storage			
2019.CSR4.subpart1 2019.CSR4.subpart2 2020.CSR3.subpart6	Development of flexible and high-efficient gas-fired combined heat and power generation (CHP) in district heating to achieve deep decarbonisation	Signature of contracts for high-efficient gas cogeneration and district heating projects	On track	Q2/2022
2019.CSR4.subpart1 2020.CSR3.subpart3 2020.CSR3.subpart6	Industrial chain of production and/or assembly and/or recycling of batteries, cells and photovoltaic panels (including ancillary equipment), production of raw materials used in the associated industry, and new electricity storage capacities	Signature of contracts for investments in the battery and photovoltaic production chain	On track	Q3/2022
2019.CSR4.subpart1 2020.CSR3.subpart3 2020.CSR3.subpart6	Industrial chain of production and/or assembly and/or recycling of batteries, cells and photovoltaic panels (including ancillary equipment), production of raw materials used in the associated industry, and new electricity storage capacities	Signature of contracts under the Battery Storage Support Scheme	On track	Q3/2022
2019.CSR4.subpart1 2020.CSR3.subpart3 2020.CSR3.subpart6	Ensuring energy efficiency in the industrial sector	Opening of a call for tender for energy efficiency investments for the industry	On track	Q2/2022
2019.CSR4.subpart1 2020.CSR3.subpart3 2020.CSR3.subpart6	Electricity market reform, replacement of coal in the energy mix and support for a legislative and regulatory framework for private investment in renewable electricity production	Decommissioning of coal-fired power-production capacity	Completed	Q4/2021
2019.CSR4.subpart1 2020.CSR3.subpart3 2020.CSR3.subpart6	Electricity market reform, replacement of coal in the energy mix and support for a legislative and regulatory framework for private investment in renewable electricity production	Entry into force of the Decarbonisation law adopting the coal/lignite phase-out calendar	On track	Q2/2022
2019.CSR4.subpart1 2020.CSR3.subpart3 2020.CSR3.subpart6	Electricity market reform, replacement of coal in the energy mix and support for a legislative and regulatory framework for private investment in	Decommissioning of lignite-fired power-production capacity	On track	Q4/2022

	renewable electricity production			
2019.CSR5.subpart2	Improving corporate governance of state-owned enterprises in the sector	Improving corporate governance of State-owned companies in the energy sector	On track	Q4/2022
2019.CSR4.subpart1 2020.CSR3.subpart6	Developing a favourable legislative and regulatory framework for future technologies, in particular hydrogen and storage solutions	Entry into force of the amendments to the legislative framework, implementing the National Hydrogen Strategy	On track	Q1/2023
2019.CSR4.subpart1 2020.CSR3.subpart6	Reducing the energy intensity of the economy by developing a sustainable mechanism to boost energy efficiency in industry	Entry into force of the legislative framework introducing measures to facilitate investment in energy efficiency in the industry	On track	Q4/2022
2020.CSR3.subpart5	Deployment of the Government Cloud Infrastructure	Signature of the contract to implement the investment based on the call for tenders procedure to implement the investment	On track	Q2/2022
2019.CSR3.subpart2 2020.CSR2.subpart5	Schemes to upskill/reskill employees in firms	Launch of the call for 'Grant Support for Digital Skills'	Not completed	Q1/2022
2020.CSR3.subpart5	Developing and implementing a unitary framework for defining the architecture of a government cloud system	Task-force to implement and monitor Digital Transformation reforms and investments established and operational	Not completed	Q4/2021
2020.CSR3.subpart5	Developing and implementing a unitary framework for defining the architecture of a government cloud system	Completed analysis for the options for the government cloud architecture	Completed	Q1/2022
2020.CSR3.subpart5	Developing and implementing a unitary framework for defining the architecture of a government cloud system	Entry into force of the law for the governance of cloud services for the government area	On track	Q2/2022
2020.CSR3.subpart5	Developing and implementing a unitary framework for defining the architecture of a government cloud system	Entry into force of the interoperability law	On track	Q2/2022
2020.CSR3.subpart4	Transition to the EU-2025 connectivity targets and stimulation of the private investment for the deployment of very high-capacity networks	Entry into force of the 5G network security law	Completed	Q2/2021
2020.CSR3.subpart4	Transition to the EU-2025 connectivity targets and stimulation of the private investment for the deployment of very high-capacity networks	Publication of the call for tender for the authorisation of telecommunications operators to grant 5G licences	On track	Q2/2022

2020.CSR3.subpart4	Transition to the EU-2025 connectivity targets and stimulation of the private investment for the deployment of very high-capacity networks	Recommendations from the EU connectivity toolbox are implemented	On track	Q3/2022
2020.CSR3.subpart4	Transition to the EU-2025 connectivity targets and stimulation of the private investment for the deployment of very high-capacity networks	Assignment of the rights of use of radio spectrum	On track	Q3/2022
2020.CSR3.subpart5	Ensuring cybersecurity of public and private entities owning critical value infrastructure	Adoption of the National Cybersecurity Strategy 2021-2026	Completed	Q4/2021
2020.CSR3.subpart5	Ensuring cybersecurity of public and private entities owning critical value infrastructure	Entry into force of the law on Defence and Cyber Security of Romania	On track	Q4/2022
2019.CSR3.subpart2 2020.CSR2.subpart5	Increasing digital competence for public service and digital education throughout life for citizens	Entry into force of the ministerial order of the Minister of Labour and the National Institute of Statistics President for the definition of new digital occupations in the Classification of Occupations (COR)	On track	Q3/2022
2019.CSR1.subpart3 2020.CSR3.subpart5 2020.CSR4.subpart1	Improving tax and tax administration processes, including through the implementation of integrated risk management	Number of cash registers connected to the National Agency for Fiscal Administration IT system	Completed	Q4/2021
2019.CSR1.subpart3 2020.CSR3.subpart5 2020.CSR4.subpart1	Improving tax and tax administration processes, including through the implementation of integrated risk management	Number of cash registers connected to the National Agency for Fiscal Administration IT system	On track	Q4/2022
2019.CSR1.subpart3 2020.CSR3.subpart5 2020.CSR4.subpart1	Improving tax and tax administration processes, including through the implementation of integrated risk management	Share of the number of desk audits reported on the total audits carried out by the tax administration – 30%	On track	Q4/2022
2020.CSR3.subpart5	Implementation of electronic customs	Upgraded hardware and software infrastructure	On track	Q4/2022
2019.CSR1.subpart3 2020.CSR3.subpart5 2020.CSR4.subpart1	Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation	Entry into force of the legal framework for the compulsory enrolment of legal person taxpayers in SPV (Virtual Private Space)	Completed	Q1/2022
2019.CSR1.subpart3 2020.CSR3.subpart5 2020.CSR4.subpart1	Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation	Additional legal person taxpayers enrolled in SPV	On track	Q4/2022

2019.CSR1.subpart3 2020.CSR3.subpart5 2020.CSR4.subpart1	Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation	Entry into force of the applicable legal framework defining the risk criteria for the classification of taxpayers. The legal framework shall be approved through an Order of the ANAF President	On track	Q4/2022
2019.CSR1.subpart3 2020.CSR3.subpart5 2020.CSR4.subpart1	Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation	Entry into force of the amended legal framework in the field of activity of tax inspection bodies	On track	Q4/2022
2019.CSR1.subpart3 2020.CSR3.subpart5 2020.CSR4.subpart1	Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation	Operationalization/approval of the Joint Action Plan between the National Agency for Fiscal Administration and Labour Inspection to prevent and limit the phenomenon of grey/black work evasion	Completed	Q1/2022
2019.CSR4.subpart2 2020.CSR3.subpart2 2020.CSR3.subpart5	Improving the budgetary programming mechanism	Entry into force of the amended regulatory framework to ensure multi-annual budgetary planning for the significant public investment projects and have an ex-post evaluation of expenditure reviews made by the Fiscal Council	On track	Q4/2022
2019.CSR4.subpart2 2020.CSR3.subpart2 2020.CSR3.subpart5	Improving the budgetary programming mechanism	Entry into force of the government decision for the approval of the methodology for drawing up, monitoring and reporting of the budgetary programmes	Completed	Q2/2022
2019.CSR1.subpart3 2020.CSR1.subpart2	Review of the tax framework	Analysis of Romania's tax system with the objective to produce recommendations to ensure that the tax system contributes to promote and preserve sustainable economic growth	On track	Q4/2022
2019.CSR1.subpart3 2020.CSR1.subpart2	Review of the tax framework	Entry into force of amendments to the Fiscal Code gradually reducing the scope of the special tax regime for micro-enterprises	On track	Q4/2022
2019.CSR1.subpart3 2020.CSR1.subpart2	Review of the tax framework	Entry into force of -amendments to the Fiscal Code (Law nr.227/2015), to reduce and/ or eliminate other tax incentives with the objective to simplify the tax system, make it more effective, transparent and fair by 2024 -Legislation to expand the green taxation	On track	Q1/2023
2019.CSR2.subpart2 2020.CSR1.subpart2	Reform of the public pension system	Contract technical assistance provided by an entity that	Not completed	Q4/2021

		shall be selected according to the national public procurement legislation		
2019.CSR2.subpart2 2020.CSR1.subpart2	Reform of the public pension system	Entry into force of a minister's order setting up a monitoring committee in charge of reviewing, with the support of the technical assistance provider the pension system and the policy interventions in the pension system	Completed	Q4/2021
2019.CSR2.subpart2 2020.CSR1.subpart2	Reform of the public pension system	Entry into force of the amendments to the regulatory framework to ensure the sustainability of Pillar 2 pensions	Not completed	Q1/2022
2019.CSR2.subpart2 2020.CSR1.subpart2	Reform of the public pension system	Entry into force of the new law on the pension system, replacing the provisions of Law No 127/2019	On track	Q1/2023
2019.CSR2.subpart2 2020.CSR1.subpart2	Reform of the public pension system	Entry into force of the legislative framework for reducing expenditure on special pensions	On track	Q4/2022
2020.CSR3.subpart1 2020.CSR3.subpart3	Financial instruments for the private sector - Portfolio guarantee for resilience	Signature of the contribution agreement between the European Commission and the Romanian Government	Not completed	Q4/2021
2020.CSR3.subpart1 2020.CSR3.subpart3	Financial instruments for the private sector - Climate Action Portfolio Guarantee	Signature of the contribution agreement between the European Commission and the Romanian Government	Not completed	Q4/2021
2020.CSR3.subpart1 2020.CSR3.subpart3	Financial instruments for the private sector - Recovery Venture Capital Fund	Signature of the financing agreement between the European Investment Fund and the Romanian Government for the creation of the Recovery Risk Capital Fund ("the Fund") and adoption of the investment policy of the Fund	Completed	Q4/2021
2020.CSR3.subpart1 2020.CSR3.subpart3	Financial instruments for the private sector - Fund of funds for digitalisation, climate action, and other areas of interest	Establishment of the financial instrument ("the Fund"), and adoption of the investment policy of the Fund	Completed	Q1/2022
2020.CSR3.subpart1 2020.CSR3.subpart3 2020.CSR3.subpart6	Financial instruments for the private sector - Energy efficiency investment in the residential and buildings sector	Signature of the contribution agreement between the European Commission and the Romanian Government	Not completed	Q4/2021
2020.CSR3.subpart1 2020.CSR3.subpart3	Private sector aid schemes - Aid scheme for the digitalisation of SMEs	Selection of the scheme administrator	Completed	Q1/2022
2020.CSR3.subpart1 2020.CSR3.subpart3	Private sector aid schemes - De minimis scheme to assist Romanian firms in	Selection of the scheme administrator	On track	Q3/2022

	listing on the stock exchange			
2019.CSR4.subpart1 2020.CSR3.subpart5	Cross border and multi-country projects - Low Power Processors and Semiconductor Chips	Entry into force of the Government Decision allocating the necessary funding of EUR 500 million to provide support to the scale-up of the national capabilities up to the first industrial development and the participation or association in a multi-country project	On track	Q2/2022
2019.CSR4.subpart1 2020.CSR3.subpart5	Cross border and multi-country projects - Low Power Processors and Semiconductor Chips	Entities selected for participation in the project	On track	Q4/2022
2019.CSR4.subpart1 2020.CSR3.subpart5	Cross border and multi-country projects - Low Power Processors and Semiconductor Chips	Entities in consortia participating to calls for projects by the Joint Undertaking of Essential Digital Technologies (KDT JU)	On track	Q4/2022
2019.CSR4.subpart1 2020.CSR3.subpart3	Establishment and operationalisation of Competence Centres	Establishment of 5 Centres of Competence	On track	Q4/2022
2019.CSR5.subpart1 2020.CSR3.subpart5 2020.CSR4.subpart1 2020.CSR4.subpart2	Legislative transparency, de-bureaucratisation and procedural simplification for business	Entry into force of legislative amendments to streamline, simplify and fully digitise business related procedures	On track	Q3/2022
2019.CSR5.subpart1 2020.CSR3.subpart5 2020.CSR4.subpart1 2020.CSR4.subpart2	Legislative transparency, de-bureaucratisation and procedural simplification for business	Entry into force of legislative amendments to simplify and make the conduct of the SME test transparent and applicable	On track	Q3/2022
2019.CSR5.subpart1 2020.CSR3.subpart5 2020.CSR4.subpart1 2020.CSR4.subpart2	Legislative transparency, de-bureaucratisation and procedural simplification for business	Entry into force of the law "Single Industrial Licence"	On track	Q4/2022
2019.CSR4.subpart1	Streamline governance of research, development and innovation	Policy Support Facility (PSF) Reform Implementation Unit established and operational	Completed	Q4/2021
2019.CSR4.subpart1	Support to integrate the research, development and innovation organisations in Romania in the European Research Area	Entry into force of a law that encourages, facilitates and regulates the voluntary and functional integration and merger of research institutions in Romania	On track	Q4/2022

REPORTING ON THE IMPLEMENTATION OF EUROPEAN PILLAR OF SOCIAL RIGHTS

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
1. Education, training and lifelong learning	<p>Development of the early education and care (ECEC) services (for children aged 0-6 years) to increase the access to and participation in ECEC.</p> <p>Preventing and combating school segregation by developing and implementing an effective model of local and regional governance in pre-university education and improving the equity of the education system</p> <ul style="list-style-type: none"> • Methodology for monitoring school segregation in pre-university education, approved by OM No 5633/2019; • The project <i>Strengthening the management of the Romanian education system, by developing and implementing an efficient local and regional governance model in the pre-tertiary education system and enhancing the equity of the education system in Romania</i> (elaboration of a <i>National Strategy on School Desegregation</i> and a related <i>Action plan</i>, and the development of a school segregation monitoring platform within the Integrated Information System of Education in Romania (SIIR). 	<p>A better integration of children in primary education, as well as creating the preconditions for future school attainment and substantiating personal development, by increasing access to and participation in unitary, inclusive and quality early education. The goals aforementioned shall be achieved, inter alia, by:</p> <ul style="list-style-type: none"> • Building, equipping and making operational 110 nurseries, with a capacity between 50 and 110 places (hosting 2, 3 or 5 pre-school groups), for a maximum number of 4,500 children (budget: 230 million euro through NRRP); • Conceptualising and implementing complementary services (e.g. a toy library, a play-based centre, a multifunctional centre etc.), which should be fitted with furniture, educational material and equipment. Each complementary service should be able to provide educational support to up to 50 children aged 0-6 years. <p>Decreasing the number of school segregation cases and increasing equity in education.</p>
	<p>Ensuring the digitalisation of the educational system and the development of digital skills of pupils, students and teachers</p> <p>Investments funded through NRRP:</p> <ul style="list-style-type: none"> • Improving digital technology equipment for schools 	<p>Setting the levels of digital skills for teachers and students through the <i>National Framework for the Digitalisation of Education</i> (provided in the strategic field of <i>Digitalisation</i> within the <i>Educated Romania</i> project), which is being developed and shall be approved by the end of the Q2/2022.</p> <p>Modernisation of 5,200 informatics laboratories in smart IT laboratories; development of 1,100 school technological hubs as smart labs; fitting 909 VET schools with digital infrastructures for teaching and digital teaching tools.</p> <p>Improving digital infrastructure and</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<ul style="list-style-type: none"> • Digitalisation of universities and their preparation for the digital professions of the future 	<p>developing the competences of students and university teaching staff, Development of 10 regional consortia and the development and equipping of 10 vocational campuses. Vocational campuses shall be built by 30 September 2025, dual vocational education consortia shall operate at full capacity by 31 March 2026, and the number of students who will complete the full dual vocational education route shall increase from 1,847 (reference number) in 2020 to 3,000 in June 2026.</p>
	<p>Providing environmentally friendly, safety and quality standards in pre-university and university educational establishments</p>	<p>Ensuring environmentally friendly standards in terms of design, construction and equipping in the pre-university education, by updating the relevant legislative framework. (Re)construction or modernization of at least 55 schools in seismic hazard by implementing the project <i>Safer, Inclusive and Sustainable Schools in Romania</i> (implementation period: 6 years, budget: 100 million euro - loan from IBRD), through which schools at risk are supported to meet the requirements of modern infrastructure and functionality in terms of safety, resilience, inclusion, and sustainability.</p>
	<p>Reforming the governance of pre-university education and professionalization of its management, with increased school autonomy.</p>	<p>Reforming governance in education, through NRRP, by implementing a set of measures, including a training and mentoring programme for school managers and inspectors, through which there will be:</p> <ul style="list-style-type: none"> • Reviewed the ongoing pre-university education governance; • Made recommendations and an action plan to improve pre-university education governance; • Provided guidance for the design of the training and coaching programme for school managers and inspectors. <p>(completion term: May 2026)</p>
	<p>Ensuring access to education for pupils and students from disadvantaged groups</p>	<p>By implementing the ongoing and extended MEd social programmes:</p> <ul style="list-style-type: none"> • The national social protection programme <i>Money for high school</i>, which supported 22,853 beneficiary students in the school year 2021-2022. • <i>Euro 200</i> programme supports students lacking financial means to purchase IT equipment. In 2021, 2,150 pupils and students benefited from this programme. • The <i>Hot meal for students programme (pilot programme)</i> provides for food support for pre-schoolers, pupils and students enrolled in 150 state pre-

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
		<p>university educational establishments. The main goal of the programme is to reduce the school dropout rate.</p> <ul style="list-style-type: none"> • Vocational Scholarship Programme targets all VET students and consists of a monthly financial granted also to the children of foreign nationals benefiting from a form of protection in Romania or children of foreign nationals with the right to reside/ resident in Romania who attend VET. In the school year 2021-2022, 99,342 students benefit from this programme. • Social scholarships - in 2021, the Romanian Government regulated increased scholarships to be granted to pupils and students in the school year 2021-2022, differentiated, for the first time, according to the category of scholarships, as follows: 500 lei for performance-based scholarship, 200 lei for merit scholarship and social scholarship, and 150 lei for grants. • The Romanian School Programme grants to pre-schoolers enrolled in public or private accredited kindergartens (with normal schedule - 4 hours) fresh fruits and vegetables, milk and dairy products and bakery products. For the school year 2021-2022, the allocated amount is 501.553 million lei. Overall, 1,903,851 pre-schoolers, pupils and students enrolled in early, primary and secondary education are beneficiaries of this programme. • Student transport and mobility - students who cannot be enrolled in school in their place of residence will be reimbursed the commuting costs incurred for traveling between their place of residence and the locality where the educational establishments is located; these expenses are covered throughout school year from the MEd budget through the educational establishments where students are enrolled, provided the observance of a 50 km travelling distance. Moreover, students living in boarding schools, tenants or occupants are refunded from the MEd budget, through the school establishments, the equivalent amount of eight round trips per school semester. • School supplies is a programme addressing those pupils and students enrolled in public, primary and

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
		<p>secondary day classes education, to whom grade specific supplies packages are provided with. In the school year 2021-2022, 258,356 pupils and students have benefited from this programme.</p> <ul style="list-style-type: none"> • Electronic social vouchers based educational support - the total number of beneficiaries for whom e-vouchers with a value of 500 lei each were issued each is 245,018 (children/ students) enrolled in 10,115 educational establishments; these e-vouchers were delivered by mid-April 2022. • The National Programme for Reducing School Dropout (PNRAS) - reducing school dropout in at least 25% of schools participating in PNRAS, improving the students achievements in national assessments, improving the percentage of lower secondary education graduating rate, increasing the participation rate in the 8th grade graduation exam and the transition rate from lower secondary education - <i>gymnasium</i> - to upper secondary education - academic high school or VET secondary education.
	Adapting the initial and continuous training supply to the labour market demands (ReCONNECT project)	Improving the capacity to anticipate, monitor and evaluate the labour market and education; reducing the gaps between the labour market skill supply and demand; adapting the skill supply to technological developments.
	Job related training programmes (ESF) including the acquisition of digital skills	9,536 employees benefited by training programmes, and 10,845 SMEs were supported
2. Gender equality	Measures that meet this cross-cutting principle are included in principles 1, 4, 5, 6, 9 11, 12, 13, 14, 15, 16, 17, 18, 20	Ensuring the rights and promoting the professional, economic and social interests of all persons
3. Equal opportunities	Measures that meet this cross-cutting principle are included in principles 1, 4, 5, 6, 9 11, 12, 14, 15, 16, 17, 18, 20	Ensuring the rights and promoting the professional, economic and social interests of all persons
4. Active support to employment	<p>2021 National Employment Programme (Universal Insurance Budget - UIB)</p> <p>Integrating the jobseekers or the inactive persons into the labour market (ESF)</p>	<p>The Programme facilitated the access to the labour market of 224,287 people, of whom 76,715 profiled “hard to employ” and 33,418 profiled “very hard to employ”; In terms of gender structure, out of the employed persons, 105,949 persons were women and 118,338 were men; In 2022, 235,000 people are estimated to be employed, of whom 109,270 are women, 125,730 men and 41,880 young NEETs.</p> <p>156,670 people benefitted from this measure.</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<p>Improving the labour market participation of young NEETs (ESF)</p> <p>Improving social economy legislation (reform delivered through NRRP)</p> <p>Establishing the work vouchers and formalizing the work for domestic workers (reform delivered through NRRP).</p> <p>Diversifying the local economy in rural area (EAFRD investments)</p>	<p>244 unemployed young NEETs aged 16-29 years benefit by measures to return to education by <i>Second chance</i> programmes; 29,217 unemployed young NEETs aged 16-29 years benefit from support; by means of INTESPO project - Youth Registration at Public Employment Service, 201,119 young NEETs were identified, and 184,296 young NEETs were registered with PES</p> <p>Developing the social economy sector and creating new jobs; promoting employment alternatives that meet the needs of vulnerable groups and marginalized communities and make better use of labour force.</p> <p>Encouraging equal opportunities for under-represented groups in the labour market, given that the reform addresses low-skilled groups; improving the access to the labour market of these disadvantaged groups</p> <p>Creation of 5,121 jobs through measures aiming at establishing non-agricultural businesses in rural areas and developing non-agricultural businesses by the existing enterprises/ farms; the setting up of 13,072 young farmers was supported and 29,533 small farms were financed.</p>
5. Secure and adaptable employment	Implementing the provisions of GEO No 117/2021 on amending and supplementing the Law No 53/2003 - Labour Code - defining, combating and sanctioning the undeclared work; redefining and sanctioning the undeclared work	Ensuring the social protection of employees in accordance with the principles governing the employment relationships and supporting employees to benefit from due pay rights.
6. Wages	<p>Drafting the piece of legislation for establishing the minimum wage (reform included in NRRP)</p> <p>Implementing the provisions of GEO No 130/2021 on some fiscal and budgetary measures, postponing and amending some pieces of legislation - as from 1st January 2022, the minimum guaranteed gross basic salary, established as a social protection measure, is paid to an employee for maximum 24 months after the conclusion of the individual employment contract. Once the period expires, the employee is paid a basic salary higher than the minimum guaranteed gross basic salary.</p>	<p>Increasing the quality of the public consultation process and the involvement of stakeholders; increasing employment and ensuring equal treatment; promoting equal employment opportunities and ensuring a decent standard of living, especially for people from vulnerable social backgrounds</p> <p>Improving the adequacy of incomes under the existing economic circumstances at national level, in order to ensure a decent standard of living of employees</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
7. Information about employment conditions and protection in case of dismissals	<p>Implementing the provisions of Law No 53/2003 - Labour Code</p> <p>Implementing the provisions of Law No 76/2002 on unemployment insurance system and employment stimulation</p> <p>Implementing the provisions of Law No 467/2006 on establishing the general framework for informing and consulting the employees</p>	<p>Ensuring the rights and promoting the professional, economic and social benefits of employees</p> <p>Ensuring the social protection of people at risk of unemployment</p>
8. Social dialogue and involvement of workers	<p>Institutional participation that boost the diversification of consultation topics of the social dialogue commissions at central and local level, of CNTDS, collaboration with the Economic and Social Council</p> <p>Collaboration with social partners in designing and monitoring the 2021-2027 National Employment Strategy, and promoting collective bargaining for implementing the measures</p> <p>NRRP reforms and investments for public consultation and social dialogue</p> <ul style="list-style-type: none"> - Increasing the quality of public consultations at all levels of administration - Extension of www.e-consultare.gov.ro platform (one-stop shop at government level for citizens) - Creating partnership structures between local public administration and civil society - Entry into force of a new law on social dialogue, negotiated with the social partners - Revising the definition of economic sectors as a basis for collective agreements at sectoral level 	<p>Improving the quality and predictability of the decision-making process amid the adoption of social protection measures</p> <p>Improving the capacity and skills of civil society organizations to participate effectively in the public consultation processes</p> <p>Stimulating partnerships between public administration and civil society and improving citizens' participation and involvement in decision-making process;</p> <p>Improving the quality and predictability of the decision-making process and, therefore, the quality of public services provided to citizens and business environment</p> <p>Increasing the coverage rate of collective agreements in order to strengthen worker protection</p> <p>Increasing the capacity of social partner organizations to attract and retain members, to organize, train and participate in national and European social dialogue</p>
9. Work-life balance	<ul style="list-style-type: none"> - Granting parental leave and allowance and the insertion incentive (GEO No 111/2010); - Granting paternity leave (Law No 210/1999); - Granting the habituation leave (Law No 210/1999); - Transposition into national law of the provisions of Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life 	<p>Ensuring some form of support and unrestricted access to these rights;</p> <p>Improving the participation of all persons in the labour market and ensuring and income to the beneficiaries of these rights;</p> <p>Strengthening parental rights and providing better childcare; reducing stereotypes and gender differences in the context of the professional life and childcare</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<p>balance for parents and carers and repealing Council Directive 2010/18/EU: regulating the periods of leave for raising the child in flexible formula; extending the non-transferable period of parental leave, in the case of a parent who has not applied for the right, from one month to at least two months of the total period of leave; granting paternity leave and related allowance to all fathers who have an employment contract or employment arrangements, concluded in accordance with the law and eliminating the provisions that refer to the quality of insured of the holder within the state social insurance system; modification of the regulations regarding the duration of paternity leave, from five working days to ten working days to be carried out at the birth of the worker's child</p>	
<p>10. Healthy, safe and well-adapted work environment and data protection</p>	<p>Implementing the provisions of Law No 319/2006 on safety and health at work Observing the protection of individuals with regard to the processing of personal data and the free movement of such data is an obligation of all public and private operators processing such data</p>	<p>Occupational risk prevention, protection of workers' health and safety</p>
<p>11. Childcare and support to children</p>	<p>Development of the foster care network - transition from institutionalized care to the community-based services Implementing the Law No 273/2004 on the adoption procedure and the continuation of monitoring the adoption process and the case management</p> <p>Deinstitutionalization of children</p> <p>Increasing the child state allowance</p>	<p>The total number of new employees reached 2,593 foster parents who provided care to 4,485 children, of whom 519 disabled children. The process increased the number of adoptions, certified families, and the adoptable children. In 2022, according to projections, Romania may reach a high number of adoptions, i.e. over 1,600 adoptions, given that the average number of adopted children was 1,225 over 2017-2020. The number of the adoptive families increased from 2,871 in January 2021 to 3,119 in December 2021, and the number of the adoptable children increased significantly from 3,309 in early 2021 to 5,797 by the end of 2021. Investments financed under ERDF through 2014-2020 ROP help to ensure a better life and to identify appropriate care solutions for children in foster care. In 2021, the average monthly number of</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<p>Granting social assistance benefits for families with children in care: placement allowance; support allowance and fixed amount for the adoptive family; family support allowance; allowances and aids for raising a disabled child; benefits for the disabled child</p> <p>Compensatory indemnity granted, only once in January 2022, to the disabled child</p> <p>Providing educational incentives for children from disadvantaged backgrounds - families who have established the right to state allowance for family support - and who are enrolled in preschool education</p> <p>National support scheme for the most disadvantaged pupils - granting e-vouchers for education support</p> <p>National Support Programme for Children “Caring for Children”</p> <p>NRRP reforms and investments</p> <ul style="list-style-type: none"> - New legal framework to prevent the separation of children from their families - Creating a network of day centres for children at risk of being separated from their families 	<p>beneficiaries was 3,595,276 children, of whom 317,740 children aged 0-2, with or without disability, 5,054 disabled children aged 2-3, 3,201,452 children aged 2-18 without disability and young people aged over 18, as well as 71,030 disabled children aged 3-18.</p> <p>Ensuring a minimum standard of living as well as a form of support to promote social inclusion and increase the quality of life of certain vulnerable groups</p> <p>Reducing the risk of poverty and social exclusion generated by rising inflation and rising prices for goods and services, for certain vulnerable groups - families with children and people with disabilities</p> <p>Stimulating the participation in preschool education of children from disadvantaged families</p> <p>Reducing the risk of extreme poverty for children in public pre-school, primary, or lower-secondary education and coming from low-income families</p> <p>Protecting the psychological and emotional integrity of children and ensuring their mental health during the pandemic and post-pandemic</p> <p>Preventing the separation of the child from the family and supporting the family in raising and caring for the child at risk of separation; reducing the number of children at risk of separation from their family and entering the social protection system; creation of 150 day centres, out of which at least 10% should be located in communities with a significant share of the Roma population, in order to prevent the separation of children from their families</p>
12. Social protection	Supporting income earning people: - Professionals as regulated by the Law No 287/2009 on the Civil Code; individuals earning income from copyright and related rights as regulated by the Law No 8/1996 on copyright and related rights; persons who concluded individual labour agreements as regulated by the Law No 1/2005 on organizing and functioning of the cooperation	Incentives granted in the case of the activity cessation (during January - November 2021) - 11,521 beneficiaries, of whom 5,489 people earning an income from copyright and related rights, 115 persons employed by cooperation enterprises, 5,731 other professionals, 122 persons having a sport activity contract concluded with public sports entities, and 63 persons having a sport activity contract concluded with private entities; incentives granted in the

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<p>enterprises; persons employed with a contract of sport activity</p> <p>Granting days off to parents and other categories of persons due to the spread of SARS-CoV-2 (implementing the provisions of GEO No 110/2021)</p>	<p>case of the activity reduction (during 1 January - 30 September 2021) - around 37,282 beneficiaries, of whom 974 people earning income from copyrights and related rights, 932 lawyers, 1,633 persons employed by cooperation enterprises, 28.239 other professionals, 6,478 day labourers</p> <p>Ensuring the health and social protection of children and parents</p>
13. Unemployment benefits	<p>- Granting temporary layoff (UIB)</p> <ul style="list-style-type: none"> - Payment of an incentive (UIB) amounting to 75% of the basic salary equivalent to the hours reduced from the working schedule, in the case of a reduction not more than 80% of the daily, monthly or weekly working time - Granting temporary layoff benefits (UIB) to employees whose individual employment contract is temporarily suspended in the context of the current crisis in Ukraine, the Russian Federation and Belarus - Increasing the value of the unemployment benefit according to Law No 225/2021 (increasing the Social Reference Index) 	<p>104,774 people benefited by this measure in 2021; payments amounted to 670,823,615 lei; in 2020, through #SPER project - SUPPORT FOR EMPLOYERS AND EMPLOYEES, over 1 million people were granted temporary layoff benefits.</p> <p>In 2021, 113,248 people benefited by this measure (Kurzarbeit); payments amounted to 487,562,254 Lei</p> <p>Maintaining jobs, preventing unemployment and ensuring the social protection of employees</p> <p>Improving the degree of social protection and ensuring an adequate level of income to beneficiaries</p>
14. Minimum income	<p>Implementing the provisions of GEO No 101/2021 on amending Article 5 point IV ^ 4 of Law No 76/2002 on the unemployment insurance system and employment stimulation, and on amending and supplementing Law No 416/2001 on guaranteed minimum income</p> <p>Means testing programmes:</p> <p>The value of the social reference index is updated annually with the</p>	<p>Stimulating the transition to employment of working age people benefiting from guaranteed minimum income; improving the level of skills by participating in "Second Chance" education programmes</p> <p>During 1 January - 30 September 2021, family support allowance granted to an average monthly number of 150,096 families; guaranteed minimum income granted to an average monthly number of 168,023 families or single persons; home heating allowance granted to 63,102 beneficiaries (families or single persons)</p> <p>Ensuring an adequate level of income by increasing the amounts of social assistance</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<p>average annual inflation rate of the previous year on 1st of March (Law No 225/2021)</p> <p>Implementing the minimum inclusion income (reform and investments provided in NRRP)</p>	<p>benefits related to social reference index</p> <p>Mitigating poverty by maintaining at least the same level of adequacy of social benefits; Stimulating employment through activation measures and increasing the level of education; at least 60% of beneficiaries of minimum inclusion income in the last 12 months will be subject to an activation measure</p>
15. Old age income and pensions	<p>Increasing the pension point and the social allowance for retired persons, starting with 1 January 2022</p> <p>In January 2022, a financial aid was granted to certain vulnerable retirees - retirees of the public pension system with pensions less than or equal to 1,600 lei</p> <p>The reform of public pension system (NRRP)</p>	<p>Ensuring an adequate level of income for the beneficiaries of the public pension system</p> <p>Reducing the risk of social exclusion in the context of the current social and economic circumstances for certain vulnerable categories of retirees</p> <p>Prolongation of professional life; increasing the adequacy of minimum and lower pensions, especially for people living below the poverty threshold; ensuring the financial viability of the second pillar of the public pension system</p>
16. Health care	<p>Increasing the accessibility and resilience of the health system through investments financed from the Romanian NRRP, focussed on:</p> <ul style="list-style-type: none"> - Development a new strategy for health field, related to the 2021-2027 programming period, - Increase the institutional capacity to provide quality, safe medical services for patients, including by training/ improving the medical staff, - Improve the efficiency and financial sustainability of the health system, - Modernize the health infrastructure and healthcare network at regional level, including endowment of the family physicians' or family planning offices, as well as outpatient care units, - Reduce the morbidity and mortality from communicable and non-communicable diseases, - Digitalisation of the health system, including through operationalization of the telemedicine system, - Increase the access of the population (including from rural 	<p>Reducing/eliminating inequalities in access to quality healthcare and the gap between urban and rural areas</p> <p>Ensuring an adequate level of coverage of healthcare services, especially in the rural areas and among marginalized communities</p> <p>Improving the access for people from rural, disadvantaged and marginalized areas to basic healthcare, including prevention, early diagnosis and treatment services by the rehabilitation and/or endowment of 3,000 family physicians' practices or associations of primary care facilities, giving priority to facilities located in marginalized regions and localities; 119 family planning practices will be equipped and/or rehabilitated; at least 30 outpatient care units will be modernized/ rehabilitated/ expanded and equipped (NRRP).</p> <p>Integrate the healthcare institutions through digital infrastructure and reduce the fragmentation and improve the quality of health data by digitalisation of 60 public health institutions, 200 public health facilities and operationalizing the new PIAS (Health Insurance IT Platform).</p> <p>Increasing the access of small rural and urban areas and vulnerable groups to the specialist consultations by implementing a telemedicine system accessible to a wide range of relevant healthcare providers, with the possibility of being widely implemented</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<p>and disadvantaged areas) to basic healthcare, but also to prevention, early diagnosis and treatment services,</p> <ul style="list-style-type: none"> - Financing of integrated community centres to be built in marginalized rural and urban areas, - Reform of the public hospital healthcare system, in order to increase the safety and quality of the medical act. 	<p>throughout the country, especially in rural areas and small urban areas (through NRRP). Providing the basic medical and social services, services that are intended exclusively for the nearby population, with a focus on the vulnerable population: 200 newly built/renovated and equipped integrated community centres (through NRRP).</p>
<p>17. Inclusion of people with disabilities</p>	<ul style="list-style-type: none"> - Draft law regulating some protection measures for people with intellectual, psychological, and social disabilities (bringing the legislation - Civil Code, Code of Civil Procedure and some provisions of special laws - in line with the Romanian Constitution) - The 2022-2027 National Strategy on the Rights of Persons with Disabilities provides the development of community-based services to support the independent living of disabled people - Deinstitutionalizing and preventing the institutionalization of disabled adults - establishing social services such as day centres and sheltered housing for disabled people (investments financed by ERDF) - National Interest Programmes on protecting and promoting the rights of disabled persons (implementation coordinated by ANPDPD) <ol style="list-style-type: none"> 1. Establishing social services such as day care centres, respite care centres/ crisis centres and sheltered housing the deinstitutionalisation of disabled persons accommodated in old institutions and preventing the institutionalization of disabled persons in the community 2. Establishing social services in order to ensure the transition of young disabled from the special child protection system to the protection system for the disabled adults 	<p>Combating social exclusion and discrimination, and encouraging the active participation of protected persons in the civilian life or their social and economic (re) integration, with beneficial effects, including on their health state</p> <p>5,000 people with disabilities will be integrated into the community as a result of the deinstitutionalization process by 2027; at least 300 community-based services will be developed by 2027</p> <p>Ensuring a better life by implementing adequate care solutions for people with disabilities accommodated in old residential institutions</p> <p>Establishing 83 sheltered housings for 694 beneficiaries deinstitutionalized from high-capacity residential services, establishing 28 day centres and 12 respite/ crisis centres as support services in the community</p> <p>Establishing 38 sheltered housings for 278 beneficiaries and 15 day centres</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<ul style="list-style-type: none"> - Increasing the access of disabled persons to employment (<i>Facilitating the labour market insertion of disabled people</i> project) <p>Implementing the provisions of Law No 81/2021 on amending and completing Law No 448/2006 on protecting and promoting the rights of persons with disabilities (increase in the amount of social benefits granted to disabled persons, employment measures for disabled persons and prohibition of discrimination on the grounds of disability in all aspects and forms of employment, including conditions of recruitment, placement, employment and retention, vocational path)</p> <ul style="list-style-type: none"> - Granting the thirteenth indemnity to disabled persons in January 2022 (GEO No 126/2021) <p>NRRP reforms and investments:</p> <ul style="list-style-type: none"> - Reform of the protection system for disabled adults (ensuring the legal framework necessary for approving the public policy on preventing institutionalization and accelerating deinstitutionalization, ensuring the financial framework facilitating the implementation of public policy) - Development of social infrastructure for disabled people 	<p>Increasing the opportunities of integration into the labour market and making jobs more accessible to disabled people (1,480 disabled people benefited by professional guidance and counselling services, employment mediation or vocational training; 440 people were employed; 544 vouchers were issued to purchase the assistive technologies)</p> <p>Promoting the social and professional integration of disabled people (the number of people with disabilities integrated in the labour market and declared by employers is 25,527, and 7,607 people with disabilities employed in public institutions)</p> <p>Alleviating the risk of poverty and social exclusion for people with disabilities</p> <p>At least 8,455 institutionalized people with disabilities (50% of all institutionalized people in December 2020) will receive support to be deinstitutionalized and to implement the "independent living path"; Reducing the total number of institutionalized persons with disabilities to 11,500 after receiving support, in line with case management principles</p> <p>Improving the social services provided to disabled people to be deinstitutionalized; Rendering operational 55 new community-based services for adults with disabilities to provide activities for at least 4,870 people, within 4 years</p>
18. Long-term care	<p>National Interest Programmes dedicated to the care of elder people (financed through the State Budget) - home care services, food delivery services, day care and recovery centres, and community-based social services</p> <p>Financing the operating expenses of</p>	<p>Ensuring the right to social assistance and services for the elderly in order to prevent their marginalization and their social reintegration</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<p>elderly care houses located in counties, villages, cities, municipalities, districts of Bucharest and Bucharest municipality</p> <p>NRRP reforms and investments:</p> <ul style="list-style-type: none"> - Amending Law No 17/2000 (correlation of provisions on complying with the responsibility sharing for financing the right to long-term care, as a social assistance measure and decentralized public service, between local and central public administration authorities and with the principle "financial resource follows the beneficiary"); approval of the 2023-2030 Strategy on Long-term Care and Active Ageing; approval of quality standards for case management - Developing a network of day care and rehabilitation centres for elderly 	<p>Improving the quality of life of dependent elder people; Increasing access to social services for the elderly as a measure of social assistance</p>
<p>19. Housing and assistance for the homeless</p>	<p>Developing the public policy proposal for the social inclusion of homeless people (project EVERY PERSON COUNTS! Assessing the needs of homeless people and the impact of current social services on their life quality)</p>	<p>Preventing and combating the social exclusion of homeless people</p>
<p>20. Access to essential services</p>	<p>Implementing the provisions of Law No 226/2021 on establishing social protection measures for the vulnerable energy consumer (financial and non-financial measures)</p> <p>Complementary protection measures for the population: a compensation mechanism has been regulated for the period 1 November 2021 - 31 March 2022; price components of electricity and natural gas do not include VAT; in the cold season, a reduced VAT rate of 5% is applied on the tax base for the delivery of thermal energy to the population and others categories of consumers; the VAT rate reduces from 19% to 5% for deliveries of firewood to individuals and legal entities or other entities, including schools, hospitals, medical dispensaries, and social assistance units; household consumers were granted a unit compensation and the</p>	<p>Preventing and combating energy poverty for people unable to meet their minimum energy needs</p> <p>Around 13 million citizens would benefit by the compensation of electricity bills, similar measures have been approved for natural gas consumers so as not to worsen the energy poverty</p> <p>Mitigating the impact of price rising on thermal energy delivered, in the cold season, to the population and other categories of consumers with a low degree of affordability</p>

Pillar principle	Main measures	Estimated impact (qualitative and/ or quantitative)
	<p>final billed price of electricity and natural gas was capped, during 1 February - 31 March 2022; the final invoiced price for electricity and natural gas is temporarily capped, during 1 April 2022 - 31st March 2023</p> <p>Developing the housing infrastructure in order to protect some categories of population:</p> <ul style="list-style-type: none"> - Housing programme for young people for rent - Programme for social and emergency housing implemented according to Law No 114/1996 <p>NRRP investments - construction of housing for young people and for health and education specialists</p> <p>Building the water supply and sewerage networks - PNDR/ stage II (2017-2022)</p> <p>Basic water supply infrastructure and water treatment plants, sewage and wastewater treatment plants, roads/ access to roads and extension/ connection to natural gas systems - the Anghel Saligny Programme</p> <p>Building, modernizing and expanding all types of basic infrastructure in rural areas (EAFRD)</p>	<ul style="list-style-type: none"> - In 2022, 68 investment objectives are under construction for 2,264 housing units, by 31 March 2022 - In 2022, 91 investment objectives are being financed, totalling 4,190 housing units <p>Improving medical and educational services for vulnerable communities and groups; Improving living conditions in vulnerable communities</p> <p>Improving the life quality of citizens by building around 4,000 km of water supply network and 3,250 km of sewerage network</p> <p>Increasing the access of the population, especially in remote areas and underdeveloped communities, to essential services of quality and safety standards that lead to improved living conditions</p> <p>Increasing the life quality in rural areas through the construction/ modernization of 318 kindergartens/ nurseries and upper secondary agricultural educational establishments; Construction/ extension/ modernization of 4,728 km of water/ wastewater networks; modernization/ construction of 3,458 km of communal roads.</p>