

27 June 2023

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the second payment request submitted by Romania on 16 December 2022, transmitted to the Economic and Financial Committee by the European Commission.

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 16 December 2022, Romania submitted a request for payment for the second instalment of the non-repayable support and the second instalment of the loan support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Romania provided due justification of the satisfactory fulfilment of the 29 (twenty nine) milestones and targets of the second instalment of the non-repayable support and the 20 (twenty) milestones of the second instalment of the loan support, as set out in Section 2.1.1 and Section 2.2.1 of the Council Implementing Decision of 3 November 2021 on the approval of the assessment of the recovery and resilience plan for Romania¹.

For 3 (three) targets covering a large number of beneficiaries, in addition to the summary documents and official listings provided by Romania, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60 which corresponds to a confidence level of 95% or above in all cases.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Romania, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 29 milestones and targets related to the second instalment of the non-repayable support, and of 20 out of 22 milestones and targets related to the second instalment of the loan support. Romania has not currently provided the necessary information for the Commission to reach a positive preliminary assessment on milestone 129 or on milestone 133. For these milestones, the Commission will proceed in accordance with Article 24(6) of Regulation (EU) 2021/241.

In its payment request, Romania has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. This includes the commitments on audit and controls undertaken in the context of the first payment request by Romania in relation to milestone 450 (Monitoring and implementation of the plan) to ensure continuous compliance with this milestone and its obligations under the Financing and Loan Agreements. Based on the documentation submitted and the controls carried out by the Commission, Romania has improved the system's functionalities and efficiency. For past contracts, the European Central Platform for identifying beneficial owners of foreign companies to a great extent was not available due to the fact that very few Member States have connected by now. In one case, the origin country of the foreign beneficial owner was connected to the Platform, but there was no data available for that company. Romania nevertheless demonstrated its effort to use it, by accessing the Platform and searching for the required information. For all contracts signed

¹ ST 12319/21.

from 24 August 2022 and until the European Central Platform is fully available, the system currently in place continues to be applicable (Compliance with Law 129/2019, as amended, use of a self-declaration under the penalty of Criminal Code by final recipients/contractors at the moment of applying and application of Guidelines prohibiting coordinators from signing any further contracts in the absence of complete beneficial owners' data). Concerning the collection of beneficial owners' data of foreign companies, the National Trade Registry (ONRC) and other authorities provided all the necessary information for all contracts signed before 24 August 2022 and sent proofs thereof to the Commission. The Ministry for Investment and European Projects ensured that data received from the ONRC and additional information requested to, and received from, contractors was entered into its repository system e_SMC and informed the European Commission thereof. On the basis of the evidence submitted, the Commission considers that Romania has ensured continuous compliance with the milestone and with its obligations under the Financing and Loan Agreements.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Romania's recovery and resilience plan. This includes, among others: sustainable transport, decarbonisation and road safety, replacement of coal in the energy mix, improving tax and tax administration processes, stepping up the fight against corruption, and reform of the compulsory education system to prevent and reduce early school leaving. The milestones and targets also confirm progress towards the completion of investment projects related to government cloud architecture, increased capacity to undertake investments in health infrastructure, improving tax and tax administration processes, including through the implementation of integrated risk management, and supporting educational establishments with high risk of drop-outs.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

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[Non-repayable support]

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| Number: 65 | Related Measure: Sustainable transport, decarbonisation and road safety / Road safety | |
| Name of the Milestone: Adoption of the National Road Safety Strategy | | |
| Qualitative Indicator: Adoption of the Strategy by Government Decision (secondary legislation) and start of its implementation | | Time: Q2 2022 |
| <p>Context:</p> <p>Milestone #65 is part of reform C4.R1, which aims to support the transition towards sustainable and smart mobility in Romania. The reform consists of six sub-measures, related to: (i) introducing taxation in line with the “polluter pays” principle; (ii) constructing alternative fuels infrastructure; (iii) adopting a strategy on national road safety; (iv) adopting a strategy and related legislative package to develop intelligent transport systems; (v) adopting a strategy for railways infrastructure development and to strengthen rail traffic management; and (vi) adopting a shipping strategy. These reforms are also linked to reforms taken at a local level in a separate component of the plan. In particular, the milestone is part of the sub-measure on road safety.</p> <p>Milestone #65 concerns the adoption of a National Road Safety Strategy 2021-2030, which includes measures linked to: (i) safety inspection, (ii) the development of databases on road safety features, (iii) the introduction of more stringent speed limits and the increase of the enforcement of penalties for offences, (iv) a strategy on the elimination of black spots. A strategic document for intelligent transport systems (ITS) will also be approved by the Romanian government in the context of this milestone.</p> <p>Milestone #65 is the first step in the implementation of the sub-measure on road safety and will be followed by milestone #66 on the entry into force of the road safety law, target #67 on the equipment to increase speed enforcement and compliance with rules, and target #68 on reducing the number of road accident victims. The reform has a final expected date for implementation in Q1 2026.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the operational arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note duly justifying how the milestone (including all the constitutive elements, proving the start of the implementation) was satisfactorily fulfilled. ii) Government Decision No. 682 on the adoption of the National Strategy on Road Safety for the period 2022-2030, published in the Official Journal No. 535 on 31 May 2022 (<i>Hotărâre pentru aprobarea Strategiei naționale privind siguranța rutieră pentru perioada 2022—2030</i>), hereinafter referred to as “Government Decision No. 682”. iii) Annex to the Government Decision No. 682 comprising the National Strategy on Road Safety for the period 2022-2030 (hereinafter referred to as the “National Strategy on Road Safety”), the Action plan for the implementation of the National Strategy on Road Safety , and the Priority national programme for implementation of the National Road Safety Strategy 2022-2024, published in the Official Journal No. 535 on 31 May 2022 (<i>Anexa la Hotărârea Guvernului nr. 682/2022 pentru aprobarea Strategiei naționale privind siguranța rutieră pentru perioada 2022—2030</i>). iv) Government Decision No 144 amending Annex 1 and 2 of the National Strategy on Road Safety for the period 2022-2030 approved by the Government Decision No. 682, published in the Official Journal No. 157 bis on 23 February 2023, hereinafter referred to as the “ Action plan ” (<i>Anexele nr. 1 și 2 la Hotărârea Guvernului nr. 144/2023 pentru modificarea</i> | | |

anexelor nr. 1 și 2 la Strategia națională privind siguranța rutieră pentru perioada 2022—2030, aprobată prin Hotărârea Guvernului nr. 682/2022).

- v) Government Decision No. 1086 on the adoption of the National Intelligent Transport Systems Strategy, published in the Official Journal No. 867 on 2 September 2022 (*Hotărâre pentru aprobarea Strategiei naționale privind sistemele de transport inteligente pentru perioada 2022—2030*), hereinafter referred to as “Government Decision No. 1082”.
- vi) Annex to the Government Decision No. 1082 comprising of the National Intelligent Transport Systems Strategy, published in the Official Journal No. 867 on 2 September 2022 (*Anexa la Hotărârea Guvernului nr. 1.086/2022 pentru aprobarea Strategiei naționale privind sistemele de transport inteligente pentru perioada 2022—2030*), hereinafter referred to as the “National ITS Strategy”.

The authorities also provided:

- vii) Explanations provided during informal exchanges related to milestone #65 by the Ministry of Transport and Infrastructure. Informal explanatory note, 10 December 2022.
- viii) Consolidated report on Road Safety Investment Program in Romania of 4 April 2021, addressed to CNAIR (National company for administering road infrastructure) and the European Investment Bank.
- ix) List of 46 hotspots registered between 2015 and 2019 on the national road network and motorways, which are part of a road safety project financed by the European Investment Bank. 10 December 2022.
- x) List of a total of 221 hotspots registered in the period 2015-2019 on the network of national roads and highways. 10 December 2022.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

The National Road Safety Strategy 2021-2030 shall implement EU rules and guidelines as set out in the EU Road Safety Policy Framework 2021-2030 and the “Vision Zero”, with the objective to reduce the number of road fatalities by 2050 to close to zero.

The National Strategy on Road Safety was approved by Government Decision No. 682, which was published in the Official Journal No. 535 on 31 May 2022.

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of milestone #65 and has undertaken the assessment on a revised basis. In that decision, the Strategy is described as “the National Road Safety Strategy 2021-2030” However, given that the indicative timeline for completion is Q2/2022 and, by definition, a strategy is a forward-looking document and does not cover periods prior to its adoption, the latter date of 2022 is the one considered relevant for the assessment.

The National Strategy on Road Safety (on page 6) restates the key objectives of the EU Road Safety Policy Framework 2021-2030. In particular, it states that: “The vision of this strategy is the Vision Zero through the implementation of the “Safe System”. The Vision Zero mindset and the safe system approach are the two central elements of the EU Road Safety Policy Framework 2021-2030 as stated in the EU Road Safety Policy Framework 2021-2030 SWD(2019) 283 final. The objective to reduce the number of road fatalities by 2050 to close to zero is to be implemented by aiming for an intermediate target of 50% reduction of fatalities and serious injuries in road accidents by 2030, in

line with the intermediate target in the EU Road Safety Policy Framework 2021-2030. The “safe system” approach involves safe infrastructure, safe vehicles, and safe road use. As set out by the National Strategy on Road Safety, the main elements forming the safe system, adapted to the road dynamics in Romania are road safety management, safe road use, vehicle safety, safety of infrastructure, and emergency response (pp. 21 – 26). These five priorities are then developed in an Action plan for the implementation of the National Strategy on Road Safety with detailed objectives, actions, responsible institutions, timelines, and sources of funding. These actions are further specified in the Priority national programme for implementation of the National Road Safety Strategy 2022-2024, which includes stages towards completing the actions and estimated sources of resources needed for those actions planned to take place between 2022 and 2024.

As an intermediate target, Romania is taking on the EU target of reducing the number of victims (deaths and serious injured) by 50% from 2019 baseline to 2030.

The National Strategy on Road Safety states on page 18 that “the overall objective of the National Road Safety Strategy is to reduce the number of fatalities and the number of people seriously injured as a result of road accidents by 50% by 2030 compared to 2019 .”

The strategy shall be addressed in an integrated and multidisciplinary way to all actors involved in road safety

Section 6 – Lines of Action – of the National Strategy on Road Safety defines the main elements that will be implemented for road safety, namely better coordination of actions, road education, the implementation of automated technical systems, vehicle safety, safety of infrastructure, interventions in emergency situations. To ensure an integrated approach to road safety, the Inter-ministerial Road Safety Council will play a key role in proactively involving road safety actors, such as the private sector, academia, civil society, and local government representatives, on a per-topic basis.

The strategy shall include:

- **enforcement of the rules governing compliance, higher penalties for breaches of the law,**

The National Strategy on Road Safety includes among its objectives the “continuous improvement of transport and road safety legislation and enforcement”, as well as “making the detection of infringements of road traffic rules more effective by implementing automated technical systems for detecting, processing and sanctioning infringements” and “the use of technology for prevention, monitoring and intervention” (page 18). This is underpinned by planned investment in speed limiters, mobile radars and video cameras (page 30).

The Action plan included in the National Strategy on Road Safety provides for the modernisation of the legislative framework in the field of road safety, including by supplementing legislation to cover combatting “bullying by drivers” (item 2). This section in the amended Action plan further includes a commitment to introduce “higher penalties for breaches of the law”, which is to be achieved through “drafting of a legislative act introducing new infringements and increasing penalties for existing ones”. It further envisages that road infringements will be made more effective through the operationalisation of automated systems for detection and sanctioning (item 2). This is supplemented by actions to improve digital exchange of information, which should lead to making control and inspection activities more efficient according to the Strategy (item 2). Additionally, for the period 2022-2024, the Action plan specifically envisages to step up actions relating to checks for speed, prioritisation, alcohol/drug consumption, and others.

- **reduction of speed limits in specific areas or roads depending on accidents data/risk analysis and best practices at EU level,**

The Action plan included in the National Strategy on Road Safety (as amended) includes a commitment to “Lowering speed limits in certain areas or roads depending on accident data/risk analysis and best practices at EU level” (item 4). In addition, the Action plan includes an objective pertaining to the data/risk analysis of road safety performance indicators, including the number of fatalities and seriously injured people, as well as other key performance indicators (item 2).

- **introduction of speed management system and mandatory safety features,**

Section 6 – Lines of Action – of the National Strategy on Road Safety includes a commitment on “the implementation and exploitation of automated technical systems for detecting, processing and sanctioning deviations, i.e. automated traffic management systems” (page 22). The introduction of this system is expected to allow for speed management by “video monitoring of traffic in order to allow rapid intervention by emergency crews”. In terms of mandatory safety features, the National Strategy on Road Safety also includes safety measures both to ensure vehicle safety (page 23) and safety of infrastructure (pages 24-25), such as the introduction of technological solutions, the set-up of research laboratories, the implementation of 2+1 traffic system, and the maintenance of ‘legible infrastructure’.

- **revision of traffic rules including priority for vulnerable users,**

The amended Action Plan included in the National Strategy on Road Safety includes a commitment to “Review of traffic rules as a matter of priority for vulnerable users” (item 2), which is further detailed to include a draft legislative act based on analysis of the legislative framework to change traffic rules with priority for vulnerable users.

- **reduction of black/hot spots in both urban and inter-urban environments, including a specific investment action plan to reduce the number of black/hot spots by 129 by Q2-2026 compared to the initial 267 black/hot spots in 2021,**

The National Strategy on Road Safety lists among its objectives the reduction of black spots in urban and inter-urban environments, stating that the number of black points/hotspots is expected to be reduced by 129 by 2026, compared to the initial 267 in 2021, as required by the CID. The number of hotspots was identified by research by the EIB between 2015 and 2019 and there have been no further update of the numbers until 2021 (page 19); at the same time, no actions to reduce hotspots have been undertaken so far. This is complemented with an investment action plan identifying which blackspots will be addressed via financing from the European Investment Bank, funding under other measures in the Recovery and Resilience Plan or relevant programmes (page 31). The identification of blackspots and possible solutions are also envisaged in the Action plan included in the National Strategy on Road Safety (item 4).

- **phasing out from the national register of old/deficient vehicles, increased safety inspections and checks,**

The National Strategy on Road Safety includes among its objectives scrapping at least 250 000 polluting vehicles older than 15 years between 2022 and mid-2026 (page 18), and among its action lines increasing safety and checks of vehicles (page 23). The Action plan included in the National Strategy on Road Safety also includes specific measures to strengthen safety inspections and checks (item 3, pages 51-53).

- **education and training, information campaigns,**

The National Strategy on Road Safety includes among its action lines school level education, possible prerequisites for driving tests, and rehabilitation courses for offenders (page 21). The Action plan included in the National Strategy on Road Safety also includes specific measures on school education, road education, driver training, driving licence tests, as well as road risk

awareness campaigns (item 2, page 39-45).

– **integration of the legislative system and reform of the Intelligent Transport Systems (ITS).**

The National Strategy on Road Safety integrates the legislative system and reform of the Intelligent Transport Systems (ITS) by taking into account the objectives and actions set out in the National Strategy for the Implementation of ITS (p. 15) and also aligns measures under the section “Safety of infrastructure” with the development of ITS (p. 25). Development of ITS is also integrated in the National Strategy on Road Safety through actions to develop ITS in its Action Plan (item 2).

– **A strategic document for Intelligent Transport Systems (ITS) shall be approved by the Romanian government. The ITS strategy shall be developed in conjunction with intermodal transport policies to serve the needs for efficient operation in multimodal nodes,**

The National Intelligent Transport Systems Strategy was adopted with the Government Decision No. 1082, published in the Official Journal No. 867 on 2 September 2022. The strategy aims “to provide the institutional and legislative framework for the development and deployment of the best intelligent transport systems solutions” (page 10). The new strategy builds on the already existing Intelligent Transport Systems framework in Romania.

The National Intelligent Transport Systems Strategy lists multimodal integration among its objectives (pages 29 and 32). Its chapter on “Integration, interoperability and autonomous vehicles” provides for multimodal integration and the provision of multimodal services for passenger and freight transport.

The entity responsible for the monitoring of the Road safety strategy implementation and the Key Performance Indicators shall be clearly defined and operationalised.

The National Strategy on Road Safety states that the overall coordination for its implementation lies with the Inter-Ministerial Road Safety Council (page 21). This is confirmed in the specific monitoring arrangements set out on page 36. The specific responsible entities are then specified for each different action in the Action plan included in the National Strategy on Road Safety.

Furthermore, Sections 7 and 8 of the Strategy also list the expected results and key performance indicators (page 26-27). The key performance indicators are then specified for each different action in the Action plan included in the National Strategy on Road Safety.

In line with the description of the measure, the National Road Safety Strategy shall include:

Safety inspection: the technical assessment to determine road safety shall be optimised; implementation and development of the work of technical expertise on motor vehicles; setting up research and expert laboratories covering methodologies for monitoring, inspection and testing of vehicles throughout their lifetime;

The National Strategy on Road Safety states that “the technical and scientific findings on vehicles to determine the degree of road safety will be optimised” and includes additional assessment of used vehicles involved in events, access to in-vehicle data to determine who is responsible in the event of an accident, and collection of anonymised data on safety performance (p. 23). It further includes a commitment for the technical authority in the field to implement and develop technical expertise on motor vehicles and support automotive technical and scientific findings (p. 23). Finally, it includes “setting up research laboratories ... covering methodologies for monitoring, inspecting, and testing vehicles throughout their lifetime” (p. 23). The Action Plan included in the National Strategy on Road Safety further specifies these measures with more details on sub-actions, timeline, and actors (item 3).

Development of databases on road safety features at testing stations and vehicle repair units; development of the methodology for data collection and the primary data collection base for the analysis of key road safety performance indicators;

The National Road Safety Strategy states that technical findings on road safety will be improved “by developing compatible databases on road safety features at inspection stations and vehicle repair stations” (p. 23). It also includes in section 8 – Indicators a list of key performance indicators to measure progress in road safety, which will serve for primary data collection base. With regards to the methodology, it specifies that “The methodology for data collection, processing and reporting will be developed in line with the set of mandatory requirements set out in the EU Road Safety Policy Framework 2021-2030”. The Action plan included in the National Road Safety Strategy includes as an objective the “continuous analysis of road safety indicators”, which includes the continuous assessment of key performance indicators and improvement of data collection methodology (line 2).

Commission Preliminary Assessment: Satisfactorily fulfilled.

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| Number: 114 | Related Measure: 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 | |
| Name of the Milestone: Entry into force of the Decarbonisation law adopting the coal/lignite phase-out calendar | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the legislative act | | Time: Q2 2022 |
| <p>Context:</p> <p>Milestone #114 is part of reform C6.R1, whose objective is the decarbonisation of the energy sector, mainly through the phase-out of coal and the increase of renewable electricity generation capacity. The reform covering the coal phase-out aims to phase-out coal and lignite-fired power plants by 2032.</p> <p>Milestone #114 provides for the entry into force of a Decarbonisation Law and of any related secondary legislation. The Decarbonisation Law must include a timetable up to 2032 for:</p> <ol style="list-style-type: none"> 1. The decommissioning of the total coal- and lignite-fired installed electricity production capacity (i.e. 4 590 MW). 2. Measures relating to the rehabilitation of mines to be closed (e.g. salvaging soil in mined areas such as topsoil and revegetation, waste deposits, post-closure land use for the landform). 3. Measures for upskilling (professional reconversion and retraining), and other measures with a socio-economic impact on the affected communities. <p>Milestone #114 is the second step in the implementation of a sub-measure of reform C6.R1 related to the phase-out of coal. It follows the completion of target #113 related to the decommissioning of 1 695 MW of lignite-fired power-production capacity and it will be followed by targets #115 and #119, related to the decommissioning of additional 660 MW and 1 425 MW of lignite-fired power-production capacity, respectively. The reform, leading to a total of 3 780 MW of lignite-fired power-production capacity being decommissioned by 31 December 2025, has a final expected date for implementation in Q2 2026.</p> | | |

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii) Government Emergency Ordinance (hereinafter referred to as 'GEO') No. 108/2022, published in the Official Journal on 1 July 2022 (hereinafter referred to as the 'Decarbonisation Law'), that entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- iii) Law No. 334/2022, adopting GEO No 108/2022, published in the Official Journal of 5 December 2022, that entered into force on the same day, as indicated in its recitals.
- iv) GEO No. 175/2022, amending and supplementing GEO No 108/2022, published in the Official Journal on 15 December 2022, that entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- v) GEO No. 14/2023 amending and supplementing inter alia GEO No 108/2022, published in the Official Journal on 16 March 2023, that entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- vi) GEO No. 19/2023 amending and supplementing inter alia GEO No 108/2022, published in the Official Journal on 30 March 2023, that entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Analysis:

The justifications and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

A decarbonisation law (and any secondary legislation) shall enter into force

Government Emergency Ordinance No. 108/2022 was adopted by the Government on 30 June 2022, published in the Official Journal on 1 July 2022 and entered into force on the same day as primary legislation. It was then approved by the Parliament on 5 December 2022 (Law No. 334/2022 on the decarbonisation of the energy sector). The recitals of the Decarbonisation Law provide that it enters into force on the date of publication in the Official Journal.

The Decarbonisation Law was further amended and supplemented by Government Emergency Ordinance No. 175/2022, Government Emergency Ordinance No. 14/2023, and Government Emergency Ordinance No. 19/2023. These ordinances also entered into force on the same date of the publication in the Official Journal.

with a timetable up to 2032 for:

- i) **Decommissioning of the entire coal/lignite fired installed electricity production capacity (i.e., 4 590MW).**

Article 3 of the Decarbonisation Law provides that by 2032 at the latest the total coal- and lignite-fired installed production capacity of 4 920 MW will be gradually decommissioned, out of which 3 780 MW are to be decommissioned by the end to 2025.

Moreover, Article 4 of the Law lays down a detailed calendar for decommissioning coal- and lignite-fired as follows: 660 MW to be decommissioned by end-2022 and 1 425 MW decommissioned by end-2025, which leads to a total of 3 780 MW to be decommissioned by end-2025, considering the

1 695 MW already decommissioned in 2021.

Furthermore, Article 2 prohibits the construction of new energy capacities to produce electricity based on lignite or coal.

- ii) **Measures relating to the rehabilitation of mines to be closed (e.g., salvaging soil in mined areas such as topsoil and revegetation, waste deposits, post-closure land use for the landform).**

Article 3 (1) of the Decarbonisation Law provides for the closure and rehabilitation of mines to be completed by 2032 at the latest. The rehabilitation of mines is covered more specifically under Article 6 of the Law, which lays down a detailed calendar of closure and rehabilitation of mines, including required legal actions for salvaging soil in mined areas such as topsoil and revegetation, waste deposits, post-closure land use for the landform.

- iii) **Measures for upskilling (professional reconversion and retraining), and other measures with a socio-economic impact on the affected communities.**

Measures for social protection are included in Articles 12 and 13 of the Decarbonisation Law. These measures include, among others, active measures such as upskilling training courses within the National Training Plan for employees whose contracts have been terminated as a result of the closure of the power plants, covering their professional reconversion and retraining. Moreover, Article 14, provides for requests by undertakings in the counties of Gorj, Hunedoara, Dolj, Mehedinti and Valcea, as socio-economic communities impacted by the transition, to be taken into account in the preparation of the National Training Plan.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 124 | Related Measure: New capacities for electricity generation from renewable sources |
| Name of the Milestone: Opening a call for tender for projects for the production of energy from renewable sources (wind and solar) | |
| Qualitative Indicator: Publication of the tender specifications | Time: Q1 2022 |
| Context: Milestone #124 is part of investment C6.I1, which aims at the installation of new renewable power production capacity through a technologically neutral competitive public tender between different technologies (wind and solar). Milestone #124 is the first step for this investment and consists in the publication of a call for tender. It is followed by target #125 consisting in the installation of 950 MW of additional capacity from renewable sources (or the maximum volume compatible with the tender being held in competitive conditions) by Q2 2024. Investment C6.I1 has an expected date for full implementation in Q2 2024, with the achievement of target #125. | |
| Evidence provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ul style="list-style-type: none">i. A cover note justifying how the milestone was satisfactorily fulfilled.ii. Ministerial Order No. 282/2022 (published on the website of the Ministry of Energy on 30 March 2022) announcing the opening of the call for applications from 31 March 2022 to 31 May 2022. The Ministerial Order includes the guidelines for applicants, that entered into | |

force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

- iii. Ministerial Order No. 507/2022 (published on the website of the Ministry of Energy on 24 May 2022) postponing the deadline for applications from 31 May 2022 to 15 June 2022, that entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- iv. Ministerial Order No. 592/2022 (published on the website of the Ministry of Energy on 10 June 2022) postponing the deadline for applications from 15 June 2022 to 22 June 2022, that entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

The Romanian authorities also provided:

- v. Ministerial Order No. 281/2022 (published on the website of the Ministry of Energy on 30 March 2022) adopting the State aid scheme for the tender, that entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all the constitutive elements of the milestone. In particular:

1) A call for tender for the selection of projects for the production of energy from renewable sources (wind and solar) is published.

- A call for tender, including the tender specifications, for the selection of projects to produce energy from renewable sources (wind and solar) was published on 30 March 2022. Section 1.2 of the guidelines for applicants, which accompanies Ministerial Order No. 282/2022 (published on the website of the Ministry of Energy on 30 March 2022), announced the opening of the competition for 31 March 2022 and set an initial deadline for submission of projects on 31 May 2022. The deadline for submission of projects was postponed twice until 22 June 2022.
- In terms of scope, Section 1.1. of the guidelines for applicants and Article 4(2) of the State aid scheme indicate that the purpose of the projects eligible for funding is to increase by 950MW the installed electricity generation capacity from wind and solar energy sources. Section 1.1. of the applicants' guidelines require all new capacities to be installed and connected to the grid by 30 June 2024, at the latest.
- The tender has been organised under competitive conditions as indicated in the guidelines for applicants due to the requirements set up by both technologies ensuring such competitive conditions. Applicants were able to submit their bids through a platform dedicated to RRP tenders, inaugurated on 31 March 2022. Moreover, as a reaction to the initial low number of bids and to reach a critical mass of applicants, the authorities postponed twice the deadline for applications (first to 15 June 2022 and then to 22 June 2022). As a result, the number of bidders increased from 13 on 31 May (first deadline) to 721 on 22 June (last deadline); the total installed capacity covered by the received bids increased from 16MW to 4 678MW.

2) The selection criteria shall ensure compliance with the 'do no significant harm' Technical Guidance (2021/C58/01)

In line with the description of the milestone in the Council Implementing Decision Annex, the guidelines for applicants (section 3.1.9) correctly includes the exclusion list stemming from the DNSH technical guidance as an eligibility criterion that the tender is not open for applicants carrying out excluded activities.

3) The measure shall be open for both SMEs and large investors.

Section 1.4 of the Applicants' guideline indicate that micro, small, medium-sized, and large enterprises, including start-ups are eligible applicants.

Furthermore, the justification and substantiating evidence provided by the Romanian authorities also cover the relevant constitutive elements of the description of the measure.

The objective of the investment is the installation of new renewable power production capacity through a technologically neutral competitive public tender between different technologies (wind and solar).

As indicated in the guidelines for applicants, a technologically neutral competitive public tender was launched (see above).

The projects shall comply with the relevant annexes of the Commission Delegated Regulation (EU) (C(2021) 2800/3) under the Taxonomy Regulation (EU) (2020/852)

As an additional precaution beyond the eligibility exclusion criteria included in the guidelines that ensures compliance with the DNSH principle, applicants are required to self-assess the compliance with the 'do no significant harm' (DNSH) Technical Guidance (2021/C58/01) and the Commission Delegated Regulation (EU) (C (2021) 2800/3) under the Taxonomy Regulation (EU) (2020/852) throughout the life cycle of the investment. To that end, the guidelines for applicants include instructions and a standard form to self-assess and declare the compliance of the bid with the DNSH principle (Annex 6). Annex 2.1 of the applicant's guidelines contain an evaluation grid as well as selection criteria to facilitate the verification of the DNSH self-assessment and declaration. This is then part of eligibility check carried out by the Ministry of Energy.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 143 | Related Measure: Development of a unitary framework for defining the architecture of a government cloud system | |
| Name of the Milestone: Completed analysis for the options for the government cloud architecture | | |
| Qualitative Indicator: Output report with assessment and recommendations submitted | | Time: Q1 2022 |
| Context: | | |
| <p>Milestone #143 is part of reform C7.R1 for the development of a unitary framework for defining the architecture of a government cloud system. The reform's overarching objective is to modernise the public administration by adopting advanced technologies and focusing on citizens' and businesses' needs, while ensuring the prerequisites for data-driven policy development and increasing the interoperability of existing digital technologies.</p> <p>Milestone #143 requires the analysis of the options for the government cloud architecture to be completed.</p> <p>Milestone #143 is the second step in the implementation of reform C7.R1. It was preceded by milestone #142 on the establishment and operationalisation of the taskforce to implement and monitor Digital Transformation reforms and investments. It has been followed by milestone #144 on the entry into force of the law for the governance of cloud services for the government area (see relevant preliminary assessment fiche) and milestone #145 on the entry into force of the interoperability law (see relevant preliminary assessment fiche).</p> | | |
| Evidence provided: | | |
| In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: | | |

- i) cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) report on the analysis of options for the architecture of the Government Cloud, issued on 26 June 2022, by the Ministry of Research, Innovation and Digitalisation.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

The analysis shall present the strategic and technological options and the legislative and regulatory package to determine the achievement of the Government Cloud, including interoperability rules and government data governance model

The analysis for the options for the government cloud architecture resulted in an output report submitted with assessment and recommendations to deliver on the Romanian Government cloud, on 26 June 2022. The strategic and technological options for the Government Cloud are analysed in the first chapter of the report on the analysis of options for the architecture of the Government Cloud, issued on 26 June 2022, by the Ministry of Research, Innovation and Digitalisation which reviews potential strategic cloud architectures, combined with case studies and best practices from European countries.

Three categories of cloud infrastructure are presented: private cloud, public cloud and hybrid cloud. A comparative analysis of the categories is performed, and the conclusions are summarised in a table on page 106. Technological considerations such as the availability of IT systems alongside strategic considerations such as cybersecurity are taken into account.

The legislative and regulatory package to operationalise the Government Cloud is also described in the first chapter. The Government Emergency Ordinance for the governance of the government cloud and the interoperability law are described in section 1.3 of the report on "*legislative package including interoperability rules and government data governance model*". This section makes clear that the development of a uniform framework for defining the government cloud architecture will be provided by these two legislative acts.

The analysis shall present the possibilities for the construction, delivery, installation and operation of civilian and technological infrastructures in accordance with the deadlines laid down in the Plan

The second chapter of the report presents a timeline in accordance with the deadlines in the recovery and resilience plan for the operationalisation of civilian and technological infrastructures, including the possibilities for the construction, delivery and installation. According to the Annex to the Council Implementation Decision, the deployment of the government cloud infrastructure should be completed by the end of 2025, which is the timeline indicated on page 161 of the report.

The report presents the two market consultations carried out which provided: (i) information on the budget estimates required for the procurement of ICT hardware and software products with associated installation, configuration, commissioning services in the four Government Cloud Data Centres (pages 163 to 171); and (ii) a wide range of solutions, services and technologies, to ensure the cybersecurity of the Government Cloud (pages 172 to 178).

The analysis shall present the mapping of public digital applications/services currently offered by state authorities, along with the design of processes and procedures implemented, in production and/or at implementation stages

Section 1.4 of the report assesses the inventory of digital applications and systems ensuring the

provision of public services (pages 112 to 148). In turn, chapter 3 presents the mapping of digital applications and services currently offered by Romanian public authorities, along with the design of processes and current procedures implemented, both at production and implementation stages.

The analysis shall present the cloud development/migration plan of the mapped applications

Chapter 4 of the report dated 26 June on 2022 presents the cloud development and migration plan of the mapped government applications and services describing the general steps and principles that will guide the migration of the IT systems currently under the management of various central public institutions (pages 190 to 207).

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 144 | Related Measure: Development of a unitary framework for defining the architecture of a government cloud system | |
| Name of the Milestone: Entry into force of the law for the governance of cloud services for the government area | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the cloud services governance law | | Time: Q2 2022 |
| <p>Context:</p> <p>Milestone #144 is part of reform C7.R1 for the development of a unitary framework for defining the architecture of a government cloud system. The reform’s overarching objective is to modernise the public administration by adopting advanced technologies and focusing on the citizens and businesses’ needs, while ensuring the prerequisites for data-driven policy development and increasing the interoperability of existing digital technologies.</p> <p>Milestone #144 requires the entry into force of the law for the governance of cloud services for the government area. The new law establishes a general framework for the development and management of a cloud infrastructure, consisting of a set of information technology, communications and cybersecurity resources and services, shared by the public sector in accordance with the European Cloud Computing Strategy and in line with the National Interoperability Framework.</p> <p>Milestone #144 is the third step in the implementation of reform C7.R1. It was preceded by milestone #142 on the establishment and operationalisation of the taskforce to implement and monitor Digital Transformation reforms and investments, and milestone #143 on the analysis for the options for the government cloud architecture (see relevant preliminary assessment fiches). It has been followed by milestone #145 on the entry into force of the interoperability law (see relevant preliminary assessment fiche).</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) cover note duly justifying how the milestone was satisfactorily fulfilled. ii) Government Emergency Ordinance (GEO) No. 89/2022, regarding the establishment, administration and development of cloud IT infrastructures and services used by public authorities and institutions, published in the Official Journal, Part I, No. 638 of 28 June 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. | | |

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

Government Emergency Ordinance No. 89/2022 for the governance of cloud services for the government area was published in the Official Journal No. 638 on 28 June 2022 and came into effect the same day.

The new law shall establish a general framework for the development and management of a cloud infrastructure, consisting of a set of information technology, communications and cybersecurity resources and services, shared by the public sector in accordance with the European Cloud Computing Strategy and aligned with the National Interoperability Framework.

Article 1(2) of GEO No. 89/2022 establishes the platform for the use of cloud services by central and local public authorities and institutions, consisting of the private government cloud component and certified public resources and services from other public or private clouds.

Article 1(5) provides that “The private government cloud is operationally managed by the Authority for the Digitalisation of Romania and consists of a set of information technology, communications and cybersecurity resources owned by the Romanian state, interconnected at service level with public clouds and/or private clouds”.

Article 1(9) mentions that resources and services are shared by public authorities, according to European best practices, and the Commission’s cloud strategy. The supervisory function in implementing interoperability belongs to the Ministry of Research, Innovation and Digitalisation, in accordance with interoperability legislation, and is based on the information provided by the Authority for the Digitalisation of Romania. The monitoring, controlling, and evaluating the interoperability will be performed by the Authority for the Digitalisation of Romania and the main tool offered for achieving interoperability is the National Interoperability Platform (NIP), whose sole administrator is the Authority for the Digitalisation of Romania. Considering all these, the services and resources shared by the public sector will be aligned with the National Interoperability Framework.

Article 13 (3)b provides that the cloud computing infrastructures of the government private cloud must be set up and implemented in such a way as to ensure interoperability of databases hosted by the dedicated IT structure with other databases hosted by other dedicated IT infrastructures.

GEO No. 89/2022 penultimate recital states alignment with the Commission’s Cloud Computing Strategy, published in May 2019, the European Cloud Computing Strategy, the European Strategy for Data, the Joint Statement of the Member States of the European Union on the New Generation of Cloud in Europe and the European Interoperability Framework.

Furthermore, the justification and substantiating evidence provided by the Romanian authorities also cover the relevant constitutive elements of the description of the measure.

In line with the description of the measure, the objective of this reform is to modernise the public administration by adopting advanced technologies and focusing on the citizens and businesses’ needs, while ensuring the prerequisites for data-driven policy development and increasing the interoperability of existing digital technologies.

Article 1(1) of GEO No. 89/2022 states that the law deals with the establishment, administration and development, at national level, of a hybrid cloud infrastructure, which translates in the adoption of advanced technologies. Article 1(7) and 1(8) require the modernisation of the public

administration by adopting advanced technologies, notably the migration of e-public services to the central government cloud. The Law regarding the governance of the Government Cloud platform was put into public consultation in March 2022 by the competent institutions involved, to ensure its focus on the needs of the citizens and of the businesses.

Article 3 (2) and 3(3) ensure the creation of the framework for developing data-driven policy development and increasing interoperability with the already existing digital technologies.

In line with the description of the measure, the reform shall also support the development of an integrated architecture of public digital services.

Article 1(1) of GEO No. 89/2022 states that the law will support the development of an integrated architecture of the digital public services, in the form of a hybrid cloud infrastructure, the Government Cloud Platform, referred to as the *Platform*.

In line with the description of the measure, the entry into force of the Government Cloud Act is expected to set out the responsibilities and tasks regarding the design, implementation, development and management of the cloud infrastructure, technologies and services.

Articles 4(1), 4(3), 4(7), and 6(4) of GEO No. 89/2022 set out the responsibilities and tasks regarding the design, implementation, development and management of the cloud infrastructure, technologies and services.

Notably, Article 4(3) states that the Authority for the Digitalisation of Romania ensures the implementation, technical and operational management, maintenance, as well as the future development of the Software as a Service (SaaS) services pertaining to the private governmental cloud.

Article 5(2) establishes that the Special Telecommunications Service ensures the implementation, technical and operational management, cyber security, maintenance as well as the further development of the services pertaining to the private governmental cloud at Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) levels.

In line with the description of the measure, cybersecurity shall be provided for the external and internal protection of the cloud, applying the most advanced and economically efficient cybersecurity available solutions.

As for cybersecurity of internal providers, Article 5(5) of GEO No. 89/2022 provides that the Special Telecommunications Service ensures the cybersecurity of its own services and information systems in the Government Private Cloud by preventing and thwarting cyberattacks.

As for cybersecurity of external providers, Article 6(1) provides that the Special Telecommunications Service ensures the cybersecurity of the Government Private Cloud by knowing, preventing and countering cyber-attacks, threats, risks and vulnerabilities, including complex Advanced Persistent Threats, directed against the Government Private Cloud services, which applies the most advanced and economically efficient cybersecurity available solutions by rules of public institution.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 145 | Related Measure: Development of a unitary framework for defining the architecture of a government cloud system | |
| Name of the Milestone: Entry into force of the interoperability law | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of | | Time: Q2 2022 |

the interoperability law

Context:

Milestone #145 is part of reform C7.R1 for the development of a unitary framework for defining the architecture of a government cloud system. The reform’s overarching objective is to modernise the public administration by adopting advanced technologies and focusing on the citizens and businesses’ needs, while ensuring the prerequisites for data-driven policy development and increasing the interoperability of existing digital technologies.

Milestone #145 requires the entry into force of the information systems interoperability law detailing the uniform set of standards and rules that public entities shall apply for the development of applications in a secure and sustainable environment, while aligning with the European Interoperability Framework.

Milestone #145 is the fourth and last step in the implementation of reform C7.R1. It was preceded by milestone #142 on the establishment and operationalisation of the taskforce to implement and monitor Digital Transformation reforms and investments, milestone #143 on the completion of the analysis for the options for the government cloud architecture (see relevant preliminary assessment fiche), and milestone #144 on the entry into force of the law for the governance of cloud services for the government area (see relevant preliminary assessment fiche).

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii) Law No. 242/2022 on the exchange of data between IT systems and the creation of the National Interoperability Platform, published in the national Official Journal No. 752 on 20 July 2022 (hereinafter referred to as the “interoperability law”) and entered into force on 23 July 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Law No. 242/2022 on the exchange of data between IT systems and the creation of the National Interoperability Platform was published in the Official Journal No. 752 on 20 July 2022 and came into effect the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

The new law shall be aligned with the provisions of the European Interoperability Framework.

Article 4 of the interoperability law provides that, in order to ensure interoperability, public authorities and institutions must comply with a set of reference rules (“reference rules for achieving interoperability”, the “NRRI”). Article 14 of the interoperability law requires that the NRRI are drafted to ensure that all the standards required by the interoperability law and the European Interoperability Framework are met when implementing the NRRI. Additionally, when using the NRRIs, public authorities and institutions are under the obligation to comply with the 12 principles provided in Article 5 of the interoperability law. These principles are aligned with the 12 underlying principles of the European Interoperability Framework. In consideration of the above requirements

established by the interoperability law, it is concluded that, which means that the entire law on interoperability is aligned with the provisions of the European Interoperability Framework.

The new law shall put in place a framework/governance to support the selection of relevant standards and rules for the development of applications and services by the public sector in a secure and sustainable environment

Articles 4 and 5 of the interoperability law provide for the introduction of NRRI in order to ensure interoperability between public authorities and institutions or private entities for the provision of public services. The NRRI contain common elements consisting of standards, specifications, vocabulary, concepts, principles and practices, binding for institutions and public authorities. In accordance with Article 14 of the interoperability law, the Ministry of Research, Innovation and Digitalization has the obligation to draw up the NRRI. Amongst the principles set by Article 5 of the interoperability law, the principles of security and confidentiality ensure the NRRI are secure while the principle of reuse guarantees that the NRRI are sustainable. This proves that the interoperability law puts in place a framework/governance to support the selection of relevant standards and rules for the development of applications and services by the public sector in a secure and sustainable environment.

The new law shall operationalise the migration and integration into existing data structures of data, while ensuring interoperability

Chapter IV of the interoperability law lays down the “public authorities and institutions responsible for the establishment and implementation of the National Interoperability Platform and their tasks”. By setting the responsible public authorities and institutions and by establishing their obligations with respect to the management and functioning of the National Interoperability Platform, the migration and integration of data into existing data structures is operationalised and interoperability is ensured, also in view of article 1(3), 9(9) and 16(3) of the interoperability law.

The new law shall ensure that the implementation of functionalities involves aligning the national identification and authorisation infrastructures with EU Member States in a transnational scheme, in accordance with the European rules laid down in the eIDAS Regulation (EU) 2014/910 on electronic identification and trust services for electronic transactions in the internal market

Article 17(i) of the interoperability law provides that IT projects of public institutions, which implement required functionalities, are only approved if they align with “the national identification and authorization infrastructures notified by the Authority for the Digitalisation of Romania within a transnational system, in accordance with the European rules laid down in Regulation (EU) 2014/910 on electronic identification and trust services for electronic transactions in the internal market (eIDAS), as well as with the implementing regulations.” This article proves this requirement is met as it ensures its compliance in a legally binding manner.

The new law shall take into account the once only principle embedded in the Single Digital Gateway Regulation (EU) 2018/1724.

Article 2(e) provides that one of the objectives of the interoperability law is to implement the once-only principle, as described in Regulation (EU) 2018/1724. Therefore, the law takes into account the once-only principle and itself ensures compliance with this principle in a legally binding manner.

Furthermore, the justification and substantiating evidence provided by the Romanian authorities also cover the relevant constitutive elements in the description of the measure.

The objective of this reform is to modernise the public administration by adopting advanced technologies and focusing on the citizens and businesses’ needs, while ensuring the prerequisites for data-driven policy development and increasing the interoperability of existing digital

technologies. Furthermore, the reform shall support the development of an integrated architecture of public digital services.

By implementing the only-once principle and the principles for achieving interoperability presented in the European Interoperability Framework such as the principle of reuse and the principle of effectiveness and efficiency (Article 4), the interoperability law contributes to modernising the public administration by adopting advanced technologies and focusing on the citizens and businesses' needs, while ensuring the prerequisites for data-driven policy development and increasing the interoperability of existing digital technologies in the Law No. 242/2022.

Article 1(4) of the interoperability law sets out the requirement to increase the quality of public services by facilitating the exchange of data between computer systems, reducing the bureaucratic and administrative burdens on natural and legal persons and increasing the transparency of the use of data by public authorities and institutions, thus supporting the development of an integrated architecture of public digital services.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 147 | Related Measure: Transition to EU 2025 connectivity targets and stimulate private investment for the deployment of very high-capacity networks | |
| Name of the Milestone: Publication of the call for tender for the authorisation of telecommunications operators to grant 5G licences | | |
| Qualitative Indicator: Call for tender is published on ANCOM's website | | Time: Q2 2022 |
| Context: | | |
| <p>Milestone #147 is part of reform C7.R2 that aims to accelerate the national roll-out of 5G networks and provide broadband coverage for white areas.</p> <p>Milestone #147 requires the publication and organisation of a competitive selection procedure for 5G licenses.</p> <p>This milestone is the first step in the implementation of reform C7.R2. It follows milestone #146 on the entry into force of the 5G security law. It will be further followed by milestone #148 calling for the implementation of the recommendations from the EU connectivity toolbox and milestone #149 on the assignment of the rights of use of the radio spectrum based on the results of the competitive selection procedure.</p> | | |
| Evidence provided: | | |
| <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii) Terms of Reference for the organisation of the competitive selection procedure in view of awarding certain frequency usage rights in the 700 MHz, 1500 MHz, 2600 MHz and 3.4 – 3.8 GHz bands, from September 2022. iii) Link to the Notice on the organisation of the competitive selection procedure published on the website of the National Authority for Administration and Regulation in Communications (ANCOM), published on 19 September 2022. <p>The authorities also provided:</p> | | |

- iv) ANCOM Decision No. 644/2022 on the selection procedure for awarding spectrum usage rights in the 700 MHz, 1500 MHz and 3400-3800 MHz bands.
- v) Government Decision No. 1139/2022 on setting the minimum amount of the licence fee for awarding frequency usage rights for the radio frequencies available in the 703-733 MHz, 738-753 MHz, 1452-1492 MHz, 2550-2570 MHz and 3400-3800 MHz bands.
- vi) The Substantiation (i.e. background) Note to the Government Decision No. 1139/2022 on setting the minimum amount of the licence fee for awarding frequency usage rights for the radio frequencies available in the 703-733 MHz, 738-753 MHz, 1452-1492 MHz, 2550-2570 MHz and 3400-3800 MHz bands.
- vii) ANCOM Decision No. 645/2022 on amending and completing ANCOM Decision No. 551/2022 on setting the tariff for the use of the radio spectrum.
- viii) ANCOM peer review report in the proceedings of the seminar on award procedures rights of use for radio spectrum organised within the framework of radio spectrum policy group (RSPG), from 28 February 2019.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Publication and organisation of a competitive selection procedure (auction) for granting the so called “5G licenses” (i.e. in the 700 MHz, 1500MHz and 3,4 – 3,8GHz bands)

The Notice on the organisation of the competitive selection procedure, which marks the start of the selection procedure was published on ANCOM’s website on 19 September 2022. This publication gave notice to the organisation of the competitive selection procedure (auction) for granting the 5G licenses bands (700 MHz, 1500 MHz and 3,4-3,8GHz bands) in accordance with the Terms of Reference requirements. The competitive selection procedure is ensured as the design of the auction allows for bidding process as specified in the Terms of Reference.

Long term licences are envisaged as per the European Electronic Communications Code criteria, to efficiently stimulate 5G, promote competition and end-users’ rights

Article 31 of the Government Emergency Ordinance No. 111/2011 on electronic communications sets the duration of the radio frequencies usage rights taking into account the provisions of Recital 127 and Article 49(2) of Directive (EU) 2018/1972 establishing the European Electronic Communications Code.

Section 3.1 of the Terms of References, drafted by ANCOM in compliance with Article 28(15) of Government Emergency Ordinance No. 111/2011, provides for the granting of rights (licenses) to use radio frequencies for a period of up to 25 years for the 700 MHz, 1500 MHz and 3400-3800 MHz bands. This section also takes into account Government Decision No. 1139/2022 on setting the minimum amount of the licence fee for awarding frequency usage rights. As provided by the European Electronic Communications Code criteria, the Terms of References provide that when granting spectrum usage rights, the two following criteria must be considered: (i) the promotion of an effective and efficient use of the radio frequency spectrum; and (ii) the promotion of innovation and efficient investment, including by allowing an adequate period of amortisation by lowering the period of depreciation of the investment.

Government Decision No. 1139/2022 establishes the financial obligations to be met by the successful bidders of the spectrum usage rights tender for each frequency block included in the selection procedure, in connection with the validity periods. Compliance with these financial obligations results in a process that efficiently stimulates 5G spectrum bands deployment and promotes competition and, in turn, ensures end-users’ rights, as detailed in section 2 of the

Substantiation (i.e. background) note to the Government Decision No. 1139/2022.

The auction procedure shall build on the experiences with past spectrum auctions in Romania (2012 and 2015) and with similar recent proceedings in the EU

The selection procedure, the structure of the team responsible for organising the selection procedure and the organisational arrangements for the auction procedure were similar to the processes for the 2012 and 2015 spectrum auctions, following evidence provided by ANCOM in its peer review reports.

Additionally, the ANCOM specialists organising the selections procedure studied recent selection procedures organised in other Member States and participated in Radio Spectrum Policy Group (RSPG) peer review forums, as the formal forum for sharing experience regarding recent proceedings in the EU (as provided evidence –viii-). Those actions led to the action procedure being built taking into account similar recent proceedings in the EU as provided in RSPG peer review report prepared by ANCOM (national sections from Sweden, Lithuania, United Kingdom, the Netherlands).

The auction procedure shall incorporate competitive safeguards, market shaping mechanisms and conditions attached to the licences, all of them fit for the Romanian market specificities and dynamics

Article 3 of ANCOM Decision No. 644/2022 on the selection procedure establishes the maximum amount of radio spectrum one participant in the selection procedure can hold. This is reiterated in Section 4.1.3 “Limitations on the acquisition of rights of use” of the Terms of Reference. Additionally, the amount of available radio spectrum blocks, and the corresponding band position is not fixed but will be awarded according to the results of a competitive allocation mechanism, as specified in Section 4.1.1 “Description of the blocks offered in the procedure” of the Terms of Reference.

The Terms of Reference set rules on the independence of participants (Section 4.3.1), on arrangements between participants (Section 4.3.2), on confidentiality of information (Section 4.3.3), on the conduct of participants (Section 4.3.4), on the provision of information to the Commission (Section 4.3.5) and on applicable sanctions (Section 4.3.6).

The auction procedure incorporates market shaping mechanisms, and the format of the auction increases the adoption of other measures meant to shape the market. In this context, the ANCOM Decision no. 645/2022 on the amendment and completion of ANCOM Decision no. 551/2012 on setting the tariff for the use of the radio spectrum, provides for 30 % reduction of the tariff for the use of the radio spectrum in the 694-790 MHz, 790-862 MHz, 880-915 MHz/925-960 MHz and 3400-3 800 MHz bands and conditions attached to the licenses. The conditions attached to the licenses are presented in section 3.2. and 3.3. of the terms of reference as obligations attached to the licenses. The obligations cover aspects such as population and territorial coverage, network development, quality of services, compliance with technical and operational conditions and requirements regarding the provision of communications in emergency situations. The network coverage obligations were established for each of the bands in the selection procedure considering their situation in terms of frequency occupancy and usage level. All these elements constitute market shaping mechanism and conditions attached to the licenses as part of the national regulatory authority role ANCOM develops as organiser of the tender and bidding process for the 5G auction bands.

Sections 3.2 and 3.3 of the Terms of Reference provide the rights and obligations conferred by the licences, which take into account the Romanian market specificities and dynamics. They detail the obligations covering aspects related to population and territory coverage, network development, quality of services, compliance with technical and operational conditions and requirements

regarding the provision of communications for emergency situations.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 153 | Related Measure: Deployment of the Government Cloud Infrastructure |
| Name of the Milestone: Signature of the contract to implement the investment based on the call for tenders procedure to implement the investment | |
| Qualitative Indicator: Signature of the contract | Time: Q2 2022 |
| Context: <p>Milestone #153 is part of investment C7.I1, whose objective is to deploy the government cloud infrastructure, using secure and energy-efficient technologies to ensure the safe, interoperable and standard character of the public data.</p> <p>Milestone #153 concerns the signature of the contract for the implementation of government cloud infrastructure based on the call for tenders procedure.</p> <p>Milestone #153 is the first step for the achievement of the investment and it will be followed by target #154 to connect 30 public institutions through the government cloud and target #155 concerning the operationalisation of two Tier III and two Tier IV data centres. The investment has a final expected date for implementation in December 2025].</p> | |
| Evidence provided: <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none">i) cover note justifying how the milestone and including all the constitutive elements was satisfactorily fulfilled.ii) copy of the financing contract with contract number 3131/30.06.2022 from 30 June 2022 signed by the Ministry of Research, Innovation and Digitisation, the Authority for the Digitalisation of Romania, the Special Telecommunications Service and the Romanian Intelligence Service.iii) Annex No. 1 to the financing contract: Application for financing with related annexes, from 30 June 2022, drafted by the Ministry of Research, Innovation and Digitisation.iv) Technical project prepared by the Authority for the Digitalisation of Romania, the Special Telecommunications Service (STS), and Romanian Intelligence Service at the request of the Ministry of Research, Innovation and Digitisation for government cloud infrastructure deployment dated 17.10.2022. <p>The authorities also provided:</p> <ul style="list-style-type: none">v) Feasibility study, prepared by the Authority for the Digitalisation of Romania, the Special Telecommunications Service and Romanian Intelligence Service at the request of the Ministry of Research, Innovation and Digitisation for government cloud infrastructure deployment submitted on 10 December 2022;vi) Cloud guideline prepared by the Ministry of Research, Innovation and Digitisation for government cloud infrastructure deployment submitted on 10 December 2022;vii) Action plan for government cloud prepared by the Authority for the Digitalisation of Romania, the Special Telecommunications Service and Romanian Intelligence Service at the request of the Ministry of Research, Innovation and Digitisation submitted on 29 June 2022;viii) Correspondence table showing compliance with European Code of Conduct on Data Centre Energy Efficiency, prepared by the Special Telecommunication Services (STS) at the request | |

of Ministry of Research, Innovation and Digitisation, submitted on 13 February 2023.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

Signature of the contract for the implementation of government cloud infrastructure.

The contract for the implementation of the government cloud infrastructure was signed on 30 June 2022, with contract number 3131/30.06.2022.

The institutions responsible for the call for tender and the implementation of this investment are the Special Telecommunication Services and the Authority for the Digitization of Romania.

The financing contract signed between the Ministry of Research, Innovation and Digitalisation, on the one side, and the Authority for the Digitization of Romania, Special Telecommunication Services, and Romanian Intelligence Service, on the other side, as well as the Partnership Agreement and the financing application annexed to the contract show that the procurement for the development of the Government cloud that includes the call for tender and implementation of the investment is to be carried out by the three partners in the project: the Authority for the Digitization of Romania, Special Telecommunication Services and Romanian Intelligence Service. This demonstrates that the institutions responsible for the implementation of the investment are the STS and ADR, as required by the CID.

The implementation of the Government Cloud shall involve at least the following stages:

- **construction of Tier IV by design data centres for the two main centres and Tier III by design for the secondary ones;**

Point 1.3 of the feasibility study prepared by the Authority for the Digitalisation of Romania, the Special Telecommunications Service and Romanian Intelligence Service at the request of the Ministry of Research, Innovation and Digitisation for government cloud infrastructure deployment submitted on 10 December 2022 states that four data centres will be set up, which implies its design and construction: two primary data centres in Bucharest and Timisoara (Tier IV) and two secondary data centres in Brasov and Sibiu (Tier III). The implementation of the two secondary data centres, interoperable with the two primary data centres, is necessary to ensure the technical and legal requirements for business continuity / disaster recovery.

- **providing specific communications infrastructure and information technology (optic fibre cables and high-capacity communications equipment);**

Chapter 3.1.5 of the technical project on communication resources, prepared by the Authority for the Digitalisation of Romania, the Special Telecommunications Service (STS), and Romanian Intelligence Service at the request of the Ministry of Research, Innovation and Digitisation for government cloud infrastructure deployment dated 17 October 2022 specifies the communication infrastructure and information technology to be provided, including optic fibre cables and high-capacity communications equipment.

- **development / expansion of the electricity supply network for each data centre in order to ensure redundancy and electricity demand;**

Chapter 3.1.1. of the technical project stipulates that energy-efficient systems based on electricity produced by photovoltaic panels will be used to secure part of the power supply of data centres. To ensure redundancy and sufficient electricity demand, each data centre will have dedicated spaces for the power supply infrastructure and will be partitioned to form two completely separate power

supply branches.

- **achieving a scalable and redundant air conditioning infrastructure, energy efficient for each data centre;**

Chapter 3.1.1 of the technical project specifies that for each data centre, the air-conditioning system consists of high-precision indoor air-conditioning units using a water-glycol mixture as cooling agent, supplied by chiller-type air-conditioning equipment, with the number of units and location configured for independent operation, ensuring redundancy. These conditions ensure energy efficient conditions for each data centre.

- **installation of the inert gas fire detection and extinguishing system to ensure the protection for the entire infrastructure of each data centre;**

Chapter 3.1.1 of the technical project specifies that each of the four data centres will be equipped with inert gas fire detection and extinguishing systems. This ensures the protection of the entire infrastructure of each data centre since it will allow for an early detection of gas and in the event of fire, an extinguishing system will ensure the protection of the entire infrastructure of each data centre.

- **implementation of the physical security system (access control, video monitoring, antiburglary) for the developed infrastructure;**

Chapter 3.1.1 of the technical project specifies how the physical security system will be implemented, including elements of access control, video monitoring and antitheft systems. This element proves the implementation the physical security system with standard high level security level and security perimeters as detailed in the chapter 3.1.1. of the technical project.

- **implementation of the infrastructure monitoring and management network within the realized facility;**

Chapter 1.11.2 of the technical project establishes that a monitoring system will be implemented to monitor all hardware and software resources related to the core ICT infrastructure. In addition, Chapter 3.1.1 of the technical project establishes that all precision air conditioning equipment will be equipped with a microprocessor controller that will be capable of interfacing with a monitoring system using a remote monitoring interface. Both elements prove the implementation of a management network within the realized facility.

- **realization of scalable and high availability IT&C infrastructure (processing equipment, storage, communications, virtualization software) within each data centre;**

Chapter 1.2 of the technical project states that "the implementation of the governmental cloud will involve "achieving scalable and high-availability ICT (that is, IT&C) infrastructure (processing, storage, communications, virtualization software) within each data centre."

Thus, the recipients, the partnership between the Authority for the Digitization of Romania, Special Telecommunication Services and Romanian Intelligence Service have committed through the financing contract to comply with this criterion in the implementation of the cloud infrastructure. The implementation of this commitment is reflected in the technical project.

- **acquisition of the necessary licenses and specialized equipment for the perimeter cyber security.**

Chapter 3.1.2 of the technical project establishes that licences of the necessary hardware and software components will be unlimited, both in terms of time and number.

Chapter 3.1.1 of the technical project establishes that volumetric motion detectors with dual

detection technology and antimasking function will be installed for detection of intrusion into the inner perimeter.

Chapter 3.1.6 of the technical project moreover establishes that a specific security hardware solution shall be configured.

The acquisition of the necessary licenses and specialized equipment for the perimeter cyber security by the recipients of the contract is established in the above-mentioned chapters.

- **Security shall be provided by the government cloud infrastructure administrator.**

Chapter 1.7 of the technical project establishes that the Special Telecommunications Service, as cloud infrastructure administrator, ensures cybersecurity of the government cloud infrastructures and services used by public authorities and institutions.

Chapter 3.1.1.1, 3.1.1.2. and 3.1.1.3 (Bucharest and Timisoara Data Centers (Tier IV); Brasov Data Centre TIER III; Sibiu Tier III Data Centre, respectively) will require that the aforementioned data centres are provided with infrastructure security (such as integrated security system with a software platform; video surveillance system; controlled access system and burglar detection system)., as required by the CID.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 191 | Related Measure: Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation | |
| Name of the Milestone: Entry into force of the legal framework for the compulsory enrolment of legal person taxpayers in SPV (Virtual Private Space) | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the compulsory enrolment of legal person taxpayers in SPV | | Time: Q1 2022 |
| Context: | | |
| <p>Milestone #191 is part of Reform C8.R1, which aims at modernising and digitalising the National Agency for Fiscal Administration (ANAF) to make tax collection more efficient, increasing the revenue-to-GDP ratio, reducing the VAT gap and allowing the tax administration to use an integrated risk management system.</p> <p>Milestone #191 requires the entry into force of the legal framework for the compulsory enrolment of legal person taxpayers in SPV (Virtual Private Space).</p> <p>Milestone #191 is the first step in the implementation of the reform, together with milestone #195, related to the operationalisation of the Joint Action Plan between ANAF and the Labour Inspection. Milestone #191 will be followed by milestones #193 and #194, related to the entry into force of the legal framework defining the risk criteria for the classification of taxpayers and the amended legal framework in the field of activity of tax inspections bodies respectively. Milestone #191 will also be followed by targets #192, #196 and #197, related to additional legal person taxpayers enrolled in SPV, the increase in the share of revenues collected by the tax administration by at least 2,5 percentage points of GDP, and the reduction of the VAT gap by 5 percentage points respectively.</p> <p>The reform has a final expected date for implementation on 30 June 2026.</p> | | |
| Evidence provided: | | |

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Government Ordinance No. 11/2021 of 30 August 2021, amending Law No. 207/2015 on the Code of Fiscal Procedure and regulating tax measures published in the Official Journal No. 832 on 31 August 2021.

The authorities also provided:

- iii) Copy of Ministerial Order No. 660/2017 published in the Official Journal No. 368 on 17 May 2017;
- iv) Copy of National Agency for Fiscal Administration (ANAF) Order No. 1090/2022 published in the Official Journal No. 585 on 16 June 2022;
- v) Background Note to Government Emergency Ordinance No. 188/2022.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone. Specifically:

Entry into force of the legal framework for making registration in the Virtual Private Space (SPV) compulsory for all legal persons taxpayers. This act shall amend the Fiscal Procedure Code and shall introduce the obligation for legal person to enrol in the SPV.

Art. I(10) of Government Ordinance No. 11/2021 of 30 August 2021, amending Law No. 207/2015 on the Code of Fiscal Procedure and regulating tax measures (*hereinafter referred to as "the Government Ordinance"*), published in the Official Journal No. 832 on 31 August 2021, makes registration in the electronic system developed by ANAF and the Ministry of Finance (that is, the Virtual Private Space (SPV), as defined in the cover note) compulsory for all legal persons taxpayers. It specifies that taxpayers, payers that are legal persons, associations and other entities without legal personality, as well as natural persons pursuing a liberal profession or carrying out an economic activity independently are required to transmit to the central tax body documents by electronic means of remote transmission, by enrolling in the electronic communication system developed by the Ministry of Finance/ANAF. Ministerial Order No. 660/2017 published in the Official Journal No. 368 on 17 May 2017, National Agency for Fiscal Administration (ANAF) Order No. 1090/2022 published in the Official Journal No. 585 on 16 June 2022, and the Background Note to Government Emergency Ordinance No. 188/2022 specify that "communication by electronic means of remote transmission" is carried out via the Virtual Private Space (SPV).

Art. VI of the Government Ordinance states that "(1) the provisions of Article I (1), (4), (5) to (7), (14) and (29) shall apply from 1 January 2022. (2) The provisions of Article I (8) and (10) shall apply from 1 March 2022. (3) The provisions of Article I (16) and (24) shall apply from 1 October 2021. (4) The provisions of point 19 of Article I shall apply from 1 February 2022", therefore certifying the entry into force of the provisions of Art. I (10), which fulfil the requirement of the milestone, on 1 March 2022.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 195 | Related Measure: Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation | |
| Name of the Milestone: 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 | | |
| Qualitative Indicator: Adoption of the Joint Action Plan between the National Agency for Fiscal Administration and Labour Inspection of actions to be taken to prevent and limit the phenomenon of grey/black work evasion | | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone #195 is part of reform C8.R1, which aims at modernising and digitalising the National Agency for Fiscal Administration (ANAF) to make tax collection more efficient, increasing the revenue-to-GDP ratio, reducing the VAT gap and allowing the tax administration to use an integrated risk management system.</p> <p>Milestone #195 requires the National Agency for Fiscal Administration (ANAF) and Labour Inspection to agree and implement a Joint Action Plan to fight the black/grey work evasion.</p> <p>Milestone #195 is the first step in the implementation of the reform, together with milestone #191, related to the entry into force of the legal framework for the compulsory enrolment of legal person taxpayers in the SPV (Virtual Private Space). Milestone #195 will be followed by milestones #193 and #194, related to the entry into force of the legal framework defining the risk criteria for the classification of taxpayers and the amended legal framework in the field of activity of tax inspections bodies respectively. Milestone #195 will also be followed by targets #192, #196 and #197, requiring additional legal person taxpayers enrolled in SPV, the increase in the share of revenues collected by the tax administration by at least 2,5 percentage points of GDP, and the reduction of the VAT gap by 5 percentage points respectively.</p> <p>The reform has a final expected date for implementation on 30 June 2026.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Copy of the adopted Joint Action Plan on the organisation of fiscal supervision in cooperation with the Labour Inspection, registered under No. 891/17.02.2022 with ANAF and under No. 46/17.02.2022 with the Labour Inspection; iii) Copy of the collaboration protocol between ANAF and the Labour Inspection, registered with ANAF under No. A_PRS 5022/02.11.2021 and the Labour Inspection under No. 445/03.11.2021. | | |
| <p>Analysis:</p> <p>The justification and substantiating evidence provided by Romanian authorities covers all constitutive elements of the milestone.</p> <p>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</p> | | |

evasion

The Joint Action Plan between the National Agency for Fiscal Administration (ANAF) and the Labour Inspection, titled “Joint Action Plan on the organisation of fiscal supervision in cooperation with the Labour Inspectorate” (*hereinafter referred to as “the Joint Action Plan”*) was signed on 17 February 2022. The signature of the Joint Action Plan certifies its adoption. As stated on page 3 of the Joint Action Plan, it aims to prevent and limit undeclared and under-declared work (that is, it addresses grey/black work evasion) and set up appropriate organisational arrangements through joint control actions and operational exchanges of information and findings.

Subsequent to the cooperation protocol with the Labour Inspection, a joint action plan shall be drawn up to include economic operators with high fiscal risk and also risk from the perspective of using under declared / unreported work

The Joint Action Plan was signed on 17 February 2022, thus subsequent to the cooperation protocol with the Labour Inspection (*hereinafter referred to as “the cooperation protocol”*), which was signed in November 2021. As explained above, the signature of the Joint Action Plan certifies its adoption.

Section 3.1 of the Joint Action Plan includes economic operators with high fiscal risk and also risk from the perspective of using under declared / unreported work. It requires the establishment of a representative sample of taxpayers from a compliance risk perspective, based on risk analyses carried out on available information and data. It also lists criteria for the selection of taxpayers into account. These include, among others, the average number of employees, the number of part-time employees, and the number of employees with minimum wage, which are suitable indicators for under declared/unreported work (that is, a low average number of employees can signal unreported work, while a high number of part-time or minimum wage employees can signal under declared work). Selection criteria also include relevant non-compliance found during previous checks, which can point to a high fiscal risk. Therefore, these criteria constitute indicators for identifying under declared/unreported work.

It shall be broken down by types of seasonal activities, where the incidence of the mentioned risks is known to be high

Section 3.1 of the Joint Action Plan lists seasonal activities, where the incidence of the mentioned risks is known to be high. It specifies that, when selecting taxpayers, data and information that will be taken into account will include, among others, activities in construction, hotel, restaurant and catering, vehicle maintenance and repair, and transport. These are activities where the incidence of using under declared / unreported work is known to be high. In addition, the same section states that in order to select for compliance and control activities a sample of taxpayers representative of compliance risk, risk criteria for the selection will include, among others, the economic potential in relation to the possible seasonality of the activity.

Periodically, the management of the structures involved (Tax Antifraud General Directorate and the Labour Inspection) shall analyse the results obtained as well as the possibilities and perspectives for updating the plan, depending on the results found

Section 5.1 of the Joint Action Plan establishes a technical working group, composed of the management of the structures involved. It states that activities are centrally coordinated by a technical working group composed of, among others, the Director-General of DGAF (*that is, DG Antifraud in ANAF*), the Deputy Directors-General of the central structure of DGAF, and the Director of the Labour Relations Control Directorate of the Labour Inspection.

Section 5.2 of the Joint Action Plan specifies that the technical working group shall meet quarterly or whenever necessary at the request of any of its members.

Section 5.5 establishes the task of the technical working group to assess the results obtained and consider corrective action. In addition, Section 7.3 of the Joint Action Plan requires that within 60 days of the completion of the joint actions, a report shall be drawn up on the results achieved, conclusions on the achievement of the objectives and proposed measures with a view to improving compliance, both in regulatory and organisational terms.

Furthermore, in line with the description of the measure, the Joint Action Plan shall also strengthen the cooperation with labour inspectorates, as well as with other institutions in the field of social and labour protection, to prevent and limit the phenomenon of grey/black work tax evasion. Section 4.2 of the Joint Action Plan states that the territorial labour inspectorates and the regional tax fraud directorates will work together towards the tactical and logistical organisation of joint control actions and their speedy implementation, and Section 5.3 of the Joint Action Plan specifies that experts from other institutions may be invited to attend the meetings of the technical working group. This has a preventive and limiting effect on the phenomenon of grey/black work tax evasion because it strengthens the organisation and strategy of control actions and broadens the scope of institutions involved in the coordination of activities.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 200 | Related Measure: Improving the budgetary programming mechanism | |
| Name of the Milestone: Entry into force of the government decision for the approval of the methodology for drawing up, monitoring and reporting of the budgetary programmes | | |
| Qualitative Indicator: Provision in government decision indicating the entry into force of the legislative act for the approval of the methodology for drawing up, monitoring and reporting of the budgetary programmes | | Time: Q2 2022 |
| Context: | | |
| <p>Milestone #200 is part of reform C8.R3, which aims at improving the budgetary programming mechanism and modernising the IT system for the development and management of the national budget to enhance its transparency, monitoring and reporting.</p> <p>Milestone #200 requires the entry into force of the government decision for the approval of the methodology for drawing up, monitoring and reporting of the budgetary programmes.</p> <p>Milestone #200 is the first step in the implementation of the reform and it will be followed by milestones #199, #201, #202, #203 and #204, related to: the 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; the completion of the spending review in health and education sectors; the adoption of a multi-annual strategy and calendar for a systematic expenditure review across all sectors; the inclusion of the recommendations of spending reviews in health and education in the 2024 draft budgetary law; and the entry into force of the law for tasking the Fiscal Council with a regular impact assessment of spending reviews and the preparation of an implementation report.</p> <p>The reform has a final expected date for implementation on 30 June 2024.</p> | | |
| Evidence provided: | | |
| In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: | | |

- i) Cover note justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Government Decision 467/2022 approving the Methodology for drawing up and implementing budgetary programmes published in the Official Journal No. 368 on 14 April 2022.

The authorities also provided:

- i) Copy of the Government Decision 427/2022 approving the Methodology for drawing up, monitoring, reporting, and revision of Institutional Strategic Plans published in the Official Journal No. 301 on 29 March 2022;
- ii) Copy of Law 69/2010 on fiscal and budgetary responsibility, as republished in the Official Journal No. 472 on 4 June 2020;
- iii) Copy of Law 500/2002 on public finances, published in the Official Journal No. 597 on 13 August 2002;
- iv) Copy of Law 52/2003 on decisional transparency in public administration, as republished in the Official Journal No. 749 on 29 June 2022;
- v) Copy of Law 248/2013 on the organization and functioning of the Economic and Social Council, as republished in the Official Journal No. 740 of 2 October 2015;
- vi) Copy of Law 367/2022 on social dialogue, published in the Official Journal No. 1238 on 2 December 2022.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Entry into force of the government decision for the approval of the methodology for drawing up, monitoring and reporting of the budgetary programmes

Government Decision No. 467/2022 approving the methodology for drawing up and implementing budgetary programmes (*hereinafter referred to as "the Government Decision"*) was published in the Official Journal No. 368 on 14 April 2022, and therefore entered into force on the same day, as established by Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

The government decision act shall: - ensure drawing up, monitoring and reporting of budgetary programmes (...)

The Government Decision ensures the drawing up and monitoring of budgetary programmes, as evidenced by Article 1(2), which states that the methodology shall determine the form of presentation of the budgetary programmes, their content and the method for developing result and/or efficiency indicators, and the way in which the implementation of budgetary programmes is to be monitored. Art. 3(2) requires that Chief Authorising Officers shall draw up the budget programmes in accordance with the provisions of the methodology. Article VI(2) of the Annex to the Government Decision also ensures the reporting of budgetary programmes, specifying that the Chief Authorising Officers are required to draw up and attach to the annual financial statements annual performance reports.

(...) - improve performance-based budgetary planning and increase result-orientation (...)

By introducing efficiency and result indicators for budgetary planning, and making the monitoring of indicators mandatory as part of the six-monthly and annual reporting (Art. VI(2) of the Annex to the Government Decision), the Government Decision improves performance-based budgetary planning and increases result-orientation. Article I(g) of the Annex to the Government Decision specifies that the draft annual budget laws and budgets shall be prepared by the Government, through the Ministry of Finance, on the basis of programmes drawn up by the Chief Authorising Officers in order to finance actions, to which precise objectives and indicators of results and efficiency are associated; the programmes shall be accompanied by an annual estimate of the performance of each programme.

(...) - clearly define objectives, targets, results of actions, the impact of policies (...)

Article IV of the Annex to the Government Decision defines the content of budgetary programmes. Specifically, Section B states that:

- the objective of the programme defines the target that the public institution plans to achieve as a result of the implementation of the programme. This corresponds to the objectives required by the description of the milestone; The Government Decision provides a single definition including objective and target. Based on this definition, targets are a subset of objectives and are therefore differentiated;

Section C states that:

- the results of actions/measures are services or products provided by a public institution according to its intended purpose and for which it is fully responsible. These correspond to the results of actions required by the description of the milestone;
- the results of public policies describe in a measurable way the changes in economic, competitive, cultural, social, financial-fiscal, administrative-institutional, IT, regulatory, planning and statistical fields, etc. Given that results described in the Government Decision are quantifiable, it is understood that they refer to the impact of policies required by the description of the milestone.

Article VI(2) of the Annex to the Government Decision states that the Chief Authorising Officers are required to draw up and attach to the annual financial statements and annual performance reports, elaborated by programme managers, setting out, for each programme, the objectives, expected and achieved results, indicators and associated costs. Expected results of each programme correspond to the targets that the public institution plans to achieve as a result of the implementation of the programme, as required by the description of the milestone.

- **clearly define (...) indicators allowing both rigorous ex-ante debates on the public policies to be financed and a transparent and reasoned assessment of how the budgeted programmes have achieved public policy objectives and targets. (...)**

Article IV, Section C, of the Annex to the Government Decision defines efficiency indicators as measurable factors showing the relationship between the results achieved and the resources allocated to achieving them (unit cost of a product, good or service provided by a public institution), characterising the efficiency of the programme and reflecting costs per activity/supported entity/services delivered, etc.

Ex-ante debates on the public policies to be financed are established in the context of the institutional strategic plans and the draft annual budget discussions. Being a constitutive element of the budgetary programmes (as established by Article IV of the Annex to the Government Decision), which integrate institutional strategic plans, efficiency indicators allow rigorous ex-ante debates on the public policies to be financed.

- Article IV of the Annex to the Government Decision specifies that when drawing up the budgetary programmes and budgetary indicators, account shall be taken of the provisions of Government Decision No. 427/2022 approving the Methodology for drawing up, monitoring, reporting and revising the institutional strategic plans. Article III(2) subparagraph a. of Annex 1 of Government Decision 427/2022 mentions that for the implementation of a strategic objective defined in the institutional strategic plan, it is mandatory to present at least one programme supporting the delivery of results that contribute adequately to determining an impact on beneficiaries. According to Annex 2 of Government Decision 427/2022, the revised institutional strategic plans are sent to the General Secretariat of the Government for comments and methodological proposals. As institutional strategic plans include at least one budgetary programme attached, comments and methodological proposals on the revised institutional strategic plans also encompass budgetary programmes, therefore constituting ex-ante debates on the public policies to be financed.

Indicators allow for a transparent and reasoned assessment of how the budgeted programmes have achieved policy objectives and targets. Article IV of the Annex to the Government Decision specifies that the Chief Authorising Officers shall be responsible for drawing up and implementing budgetary programmes relating to the sectors of activities or objectives financed from their own budget, and for assessing the achievement of public policy results and the effectiveness of public spending in the light of its short, medium and long-term effects. In addition, Article VI(2) of the Annex to the Government Decision states that within 25 days from the end of the first semester of the budget year, the Chief Authorising Officers shall send to the Ministry of Finance data on the implementation of the programme indicators and within 90 days from the end of the budget year, the Chief Authorising Officers are required to send to the Secretariat-General of the Government and to the Ministry of Finance data on the implementation of the programme indicators, as well as an overview of the progress of the programmes resulting from their monitoring, which must be structured logically, contain explanations, conclusions and measures to achieve the strategic objectives.

(...) This government decision shall be linked to the revision of the budget_NG application.

Article IV(D) of the Annex to the Government Decision specifies that the budgetary programmes shall be entered in the budgetary application 'BUGET_NG' for the preparation of the State budget and the State social security budget, their annexes and the budgets of the chief authorising officers and their annexes. The Government Decision therefore contributes to the revision of the application.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 213 | Related Measure: Reform of the public pension system | |
| Name of the Milestone: Entry into force of the amendments to the regulatory framework to ensure the sustainability of Pillar 2 pensions | | |
| Qualitative Indicator: Provision in the regulatory framework indicating the entry into force of the legislation | | Time: Q1 2022 |
| Context: | | |
| Milestone #213 is part of reform C8.R6, which should reform the entire public pension system to | | |

ensure sustainability and adequacy of public pensions. The reform involves the adoption of a new law on the public pension system, with the input of technical assistance, which is going to replace the Law No. 127/2019.

Milestone #213 requires the entry into force of the amendments to the regulatory framework to ensure the sustainability of Pillar 2 pensions.

Milestone #213 is the third milestone of the reform, and it follows the completion of milestone #211 related to contracting technical assistance to prepare analysis and proposals for a reform of the pensions system and milestone #212 related to setting up a monitoring committee in charge of reviewing the policy interventions in the pension system. Milestone #213 will be followed by milestone #214 related to the entry into force of the new law on the pension system replacing the provisions of Law No. 127/2019 and milestone #215 on the entry into force of the legislative framework for reducing expenditure on special pensions.

The reform has a final expected date for implementation on 30 March 2023.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of Law No. 104/2023 of 13 April 2023, approving Government Emergency Order No. 174/2022 amending certain legislative acts in the field of private pensions, published in the Official Journal No. 319 on 13 April 2023;
- iii) Copy of Law No. 238/2022 of 21 July 2022, approving Government Emergency Ordinance No. 23/2022 supplementing Article 43 of Law No. 411/2004 on privately managed pension funds, published on the Official Journal No. 735 on 21 July 2022
- iv) Copy of Government Emergency Ordinance No. 23/2022 of 16 March 2022, supplementing Article 43 of Law No. 411/2004 on privately managed pension funds, published in the Official Journal No. 259 on 16 March 2022;
- v) Copy of Law No. 411/2004 of 18 October 2004, on privately managed pension funds, as republished in the Official Journal No. 482 on 18 July 2007;
- vi) Explanatory note developed by the Financial Supervisory Authority titled “Analysis of how Romania carried out commitments related to milestone 213 of the NRRPs relating to making investment by private pension funds more flexible” (hereinafter referred to as “the final explanatory note from the Financial Supervisory Authority”);
- vii) Explanatory note developed by the Financial Supervisory Authority titled “Reply of the Financial Supervisory Authority to the request made by the representatives of the European Commission at the meeting on 8.11.2022 to negotiate with the Commission on milestone 213 NRRP” (hereinafter referred to as “the explanatory note developed by the Financial Supervisory Authority”) and its annex;
- viii) Explanatory annex titled “Milestone 213 – Entry into force of amendments to the regulatory framework to ensure the sustainability of Pillar 2 pensions”;
- ix) Copy of Financial Supervisory Authority rule No. 4/2023 of 3 February 2023, amending and supplementing Rule No. 11/2011 on the investment and valuation of assets private pension funds, approved by Judgment Private Pension System Supervisory Commission No. 22/2011, published in the Official Journal No. 142 on 20 February 2023.
- x) Copy of Financial Supervisory Authority rule No. 2/2021 of 29 January 2021, amending and

supplementing Rule No. 11/2011 on the investment and valuation of assets private pension funds, approved by Judgment Private Pension System Supervisory Commission No. 22/2011, published in the Official Journal No. 130 on 8 February 2021;

- xi) Copy of Financial Supervisory Authority rule No. 11/2011 of 15 December 2011, on the investment and valuation of assets private pension funds, and its amendments, as published in the Official Journal No. 8 on 5 January 2012;
- xii) Copy of Financial Supervisory Authority rule No.13/2021 of 24 June 2021, amending the Authority's rule Financial Supervision No 1/2015 on accession and records of participants in managed pension funds private, published in the Official Journal No. 711 on 19 July 2021;
- xiii) Copy of Financial Supervisory Authority rule No.16/2021 of 24 June 2021, amending Financial Supervisory Authority Rule No. 26/2014 on the transfer of participants between privately managed pension fund, published in the Official Journal No. 695 on 14 July 2021;
- xiv) Copy of Financial Supervisory Authority rule No.18/2021 of 24 June 2021, amending and supplementing Rule No. 3/2013 on the marketing of the privately managed pension fund, approved by Decision of the Board of Supervisors of the Private Pension Scheme No. 5/2013, published in the Official Journal No. 730 on 26 July 2021;
- xv) Copy of Financial Supervisory Authority rule No. 19/2021 of 29 July 2021, on reporting obligations; and transparency in the private pension system, published in the Official Journal No. 880 on 14 September 2021;
- xvi) Copy of Financial Supervisory Authority rule No.44/2020 of 18 December 2020, supplementing Annex 1 to Rule of the Financial Supervisory Authority No. 1/2015 on the membership and record of participants in the Funds of privately managed pensions, published in the Official Journal No. 1332 on 31 December 2020.

The authorities also provided:

- xvii) Copy of Financial Supervisory Authority rule No. 12/2021 of 24 June 2021, amending and supplementing Financial Supervisory Authority Rule No. 28/2017 on the use of the net personal assets of the participant in a voluntary pension fund, published in the Official Journal No. 721 on 22 July 2021;
- xviii) Copy of Financial Supervisory Authority rule No.15/2021 of 24 June 2021, amending and supplementing Rule No 14/2006 on the transfer of participants between voluntary pension funds, approved by the judgment Private Pension System Supervisory Commission No. 26/2006, published in the Official Journal No. 695 on 14 July 2021;
- xix) Copy of Financial Supervisory Authority rule No.17/2021 of 24 June 2021, amending and supplementing Financial Supervisory Authority Rule No. 16/2013 on the marketing activity of the pension fund optional, approved by Decision of the Board of the Authority financial Supervision No. 64/2013, published in the Official Journal No. 697 on 14 July 2021;
- xx) Copy of Financial Supervisory Authority rule No. 1/2015 of 8 January 2015, on membership and registration of privately managed pension fund participants, and its amendments, as republished in the Official Journal No. 31 on 14 January 2015;
- xxi) Financial Supervisory Authority simulation scenario to eliminate the fee from gross contributions;
- xxii) Letter from the President of the Financial Supervisory Authority to the Minister of Labour

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| | and Social Solidarity; |
| xxiii) | Financial Supervisory Authority response to COM requests on the legal provisions in force concerning the investment limits of privately managed pension funds; |
| xxiv) | Minutes of the Social Dialogue Committee organised on the Webex platform at the Ministry of Labour and Social Solidarity on 25 August 2022. |

Analysis:

The justification and substantiating evidence provided by Romanian authorities covers all constitutive elements of the milestone.

The new legislative framework shall

- **ensure the fiscal sustainability of Pillar II through an increase in contributions in line with the provisions of the budgetary fiscal strategy.**

The sole Article of Government Emergency Ordinance No. 23/2022 of 16 March 2022, supplementing Article 43 of Law No. 411/2004 on privately managed pension funds, published in the Official Journal No. 259 on 16 March 2022, approved by Law No. 238/2022, establishes the increase in contributions to Pillar II by one percentage point, from 3.75% to 4.75%, starting from 1 January 2024. The same Government Emergency Ordinance states that the share of Pillar II contributions is in line with the provisions of the fiscal strategy.

- **Digitalise the functioning of the private pension system.**

The following Financial Supervisory Authority rules have been adopted to digitalise the functioning of the private pension system:

- Financial Supervisory Authority rule No. 44/2020 of 18 December 2020, supplementing Annex 1 to Rule of the Financial Supervisory Authority No. 1/2015 on the membership and record of participants in the Funds of privately managed pensions, published in the Official Journal No. 1332 on 31 December 2020, introduces the possibility for members of privately managed pension funds to decide to receive information by electronic means (Art. I);
- Financial Supervisory Authority rule No. 13/2021 of 24 June 2021, amending the Authority's rule Financial Supervision No. 1/2015 on accession and records of participants in privately managed pension funds, published in the Official Journal No. 711 on 19 July 2021, allows to sign acts of membership to private pension funds by means of qualified electronic signature (Art. 8) and to send reports in electronic form for participants who have selected this option (Art. 12);
- Financial Supervisory Authority rule No. 16/2021 of 24 June 2021, amending Financial Supervisory Authority Rule No. 26/2014 on the transfer of participants between privately managed pension fund, published in the Official Journal No. 695 on 14 July 2021, allows private pension funds' participants to transfer from one fund to another by electronic communication (Art. 2 and 3);
- Financial Supervisory Authority rule No. 18/2021 of 24 June 2021, amending and supplementing Rule No. 3/2013 on the marketing of the privately managed pension fund, approved by Decision of the Board of Supervisors of the Private Pension Scheme No. 5/2013, published in the Official Journal No. 730 on 26 July 2021, allows the electronic submission of documents related to the marketing activities of private pension funds (Art. 4, 11, 14, 15, 20, 23, 24, 26);
- Financial Supervisory Authority rule No. 19/2021 of 29 July 2021, on reporting obligations; and transparency in the private pension system, published in the Official Journal No. 880 on 14 September 2021, provides for the possibility for pension fund administrators to send to

participants information on the status of their assets electronically, if participants have opted for it (Section 4, Art. 12(1)).

- **Diversify Pillar II pension investments.**

Financial Supervisory Authority rule No. 2/2021 of 29 January 2021, amending and supplementing Rule No. 11/2011 on the investment and valuation of assets private pension funds, approved by Judgment Private Pension System Supervisory Commission No. 22/2011, published in the Official Journal No. 130 on 8 February 2021, allows investments in unrated corporate bonds and corporate bonds with a non-investment grade rating of Romanian issuers, but with grade no lower than BB-, BB-, and Ba3 (Article I(4)), therefore expanding opportunities for diversification of Pillar II pension investments as compared to the previous situation.

- **Regarding the Pillar II pension investments, the government shall: - explore the possibility of making the regulatory regime applicable to privately managed pension funds' investments more flexible by reducing quantitative investment restrictions and reducing risk budgetary restrictions applicable to privately managed pension funds.**

The explanatory note developed by the Financial Supervisory Authority titled "Analysis of how Romania carried out commitments related to milestone 213 of the NRRPs relating to making investment by private pension funds more flexible" (hereinafter referred to as "the final explanatory note from the Financial Supervisory Authority") lays out on pages 2-5 the state of play on the regulatory regime applicable to privately managed pension funds' investments at the time when the Council Implementing Decision and its Annex were adopted by the Council.

According to its mandate, as outlined in the Cover Note and in Art. 2(1) of Law No. 113/2013 of 23 April 2013, for the approval of the Government Emergency Ordinance No. 93/2012 on the establishment, organisation and functioning of the Financial Supervisory Authority, published in the Official Journal No. 234/2013 on 23 April 2013, the Financial Supervisory Authority exerts authorisation, regulation, supervision and control powers over the private pension system. In addition, the sole Article of Law 104/2023 of 13 April 2023 approving Government Emergency Ordinance No. 174/2022, published in the Official Journal No. 319 on 13 April 2023, specifies that the Financial Supervisory Authority shall regularly examine the possibility of drawing up regulations on the investment of assets of privately managed pension funds to help make the investment framework more flexible, with a view to encouraging appropriate diversification of pension fund assets in order to achieve fair risk-adjusted investment returns.

Following the adoption of the Council Implementing Decision, the Financial Supervisory Authority explored in early 2022 the possibility to further enhance diversification of the regulatory regime applicable to privately managed pension funds' investments. As explained in the Cover Note and the final explanatory note from the Financial Supervisory Authority, the Financial Supervisory Authority started this exploration with a detailed risk assessment (page 5 of the final explanatory note from the Financial Supervisory Authority).

As stated on pages 6-7 of the final explanatory note from the Financial Supervisory Authority, the risk assessment points to an unfavourable economic outlook and concerns about vulnerabilities in the financial system, including private pensions, and therefore, at this stage, a cautious approach to potential changes to the legislative framework regulating private pension funds' investment should be adopted. The Financial Supervisory Authority will take into consideration future changes to further encourage diversification, in line with its mandate and the legislative framework outlined in the sole Article of Law 104/2023 of 13 April 2023 approving Government Emergency Ordinance No. 174/2022, published in the Official Journal No. 319 on 13 April 2023.

- **Preserve the independence of pension managers in determining their investment strategy**

Law 411/2004 of 18 October 2004, on privately managed pension funds, as republished in the Official Journal No. 482 of 18 July 2007, preserves the independence of pension managers in determining their investment strategy by requiring the administrator/manager of private pension funds to draw up an investment policy statement including the investment strategy (Chapter IV, Article 24). A different person, the investment manager, is responsible for deciding the investments of the pension fund's assets within the limits of the powers and in accordance with the asset investment strategy established by the private pension fund manager (Chapter IV, Article 23). Therefore, Law No. 411/2004 ensures that private pension funds administrators/managers are independent in establishing the investment strategy.

Regulate future adjustments to the private pension fund investment regime that contribute to a flexible set-up that encourages pension managers to properly diversify their portfolios in order to achieve fair risk-adjusted investment returns.

The sole Article of Law 104/2023 of 13 April 2023, approving Government Emergency Order No. 174/2022 amending certain legislative acts in the field of private pensions, published in the Official Journal No. 319 on 13 April 2023, specifies that the Financial Supervisory Authority shall regularly examine the possibility of drawing up regulations on the investment of assets of privately managed pension funds to help make the investment framework more flexible, with a view to encouraging appropriate diversification of pension fund assets in order to achieve fair risk-adjusted investment returns.

Increase companies' access to the capital market, to facilitate the listing of new issuers and to make greater use of private sources of funding, including pension fund assets. This would lead to a better investment ecosystem for pension managers and increased opportunities for a proper diversification of pension fund portfolios.

By allowing investments in unrated corporate bonds and corporate bonds with a non-investment grade rating only if these are admitted to trading, Article I(4) of Financial Supervisory Authority rule No. 2/2021 of 29 January 2021, amending and supplementing Rule No. 11/2011 on the investment and valuation of assets private pension funds, approved by Judgment Private Pension System Supervisory Commission No. 22/2011, published in the Official Journal No. 130 of 8 February 2021, encourages the listing of Romanian companies in capital markets in order to benefit from private pension funds' investments and facilitates the listing of new issuers, since corporate bonds of new issuers are typically unrated. This provision also allows companies to make greater use of private sources of funding, by increasing the number of companies accessing private pension funds investment.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 355 | Related Measure: Increased capacity to undertake investments in health infrastructure | |
| Name of the Milestone: Entry into force of the legislative framework establishing the National Agency for Infrastructure Development in Health (ANDIS) | | |
| Qualitative Indicator: Entry into force of the legislative framework establishing the National Agency for Infrastructure Development in Health | | Time: Q2 2022 |

(ANDIS)

Context:

The measure aims at increasing Romania's capacity to execute projects in health infrastructure through the operation of the National Agency for Development of Health Infrastructure (ANDIS) as a public institution with legal personality and subordinated to the Ministry of Health.

Milestone #355 requires the entry into force of the legislative framework, which establishes ANDIS, defines its functions and responsibilities, while providing it with the necessary resources like a headquarter and staff to ensure that the agency can function. The milestone also requires that ANDIS should work as a management agency for major health infrastructure investments.

This milestone is the only milestone or target of this reform.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) A cover note duly justifying how the milestone was satisfactorily fulfilled;
- ii) Copy of the Government Emergency Ordinance No. 76 of 2 June 2022 on the establishment, organisation and functioning of the National Agency for the Development of Health Infrastructure, published in the Official Journal No. 547 on 3 June 2022, which entered into force on the date of its publication.

The authorities also provided:

- iii) Substantiation Note for Government Emergency Ordinance No. 76 of 2 June 2022;
- iv) Copy of Government Decision No. 857 of 6 July 2022 on the organisation and functioning of ANDIS published in the Official Journal No. 676 on 6 July 2022;
- v) Substantiation Note for Government Decision No. 857 of 6 July 2022;
- vi) Copy of Government Decision No. 1506 of 19 December 2022 for the Implementing Rules of Government Emergency Ordinance No. 76 of 2 June 2022 for the setting up of ANDIS, published in the Official Journal No. 1234 on 21 December 2022;
- vii) Ministerial Order No. 459 of 17 February 2023 on the appointment of the President of ANDIS;
- viii) Ministerial Order No. 460 of 17 February 2023 on the renewed appointment of the members and alternate members of the Supervisory Board of ANDIS;
- ix) Ministerial Order No. 1697 of 27 June 2022 on the appointment of the members and alternate members of the Supervisory Board of ANDIS;
- x) Ministerial Order No. 2340 of 1 August 2022 for the approval of the Regulation for Organizing and Functioning of ANDIS, published in the Official Journal No. 832 on 24 August 2022;
- xi) Ministerial Order No. 2339 of 1 August 2022 for the approval of the positions chart of ANDIS;
- xii) CVs of 17 staff members of ANDIS;
- xiii) List of ANDIS personnel of 28 February 2023;
- xiv) Document with estimations on the training budget for ANDIS staff;
- xv) Copy of Law No. 66/2023 approving Government Emergency Order No 76/2022 on the establishment, organisation and operation of the National Agency for the Development of Infrastructure in Health, published in the Official Journal No. 255 on 28 March 2023.

xvi) Copy of Government Decision No. 276/2023, published in the Official Journal No. 267 on 30 March 2023.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Entry into force of the legislative framework establishing the National Agency for Infrastructure Development in Health (ANDIS).

The Government Emergency Ordinance No. 76 of 2 June 2022 on the establishment, organisation and functioning of the National Agency for the Development of Health Infrastructure was published in the Official Journal on 3 June 2022 and entered into force on the date of its publication, in accordance with Article 12(3) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts. It was complemented by the Government Decision No. 1506 of 19 December 2022 for the Implementing Rules of Government Emergency Ordinance No. 76/2022, published in the Official Journal on 21 December 2022 as well as by the Government Decision No. 857 of 6 July 2022 on the organisation and functioning of ANDIS, published in the Official Journal on 6 July 2022. Both Government Decisions entered into force on the date of their publication, in accordance with Article 12(3) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Law No. 66/2023 approved the Government Emergency Ordinance No. 76 and was published in the Official Journal on 28 March 2023 and entered into force on 31 March 2023, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

The Council Implementing Decision Annex required that the legislative framework establishing the National Agency for Infrastructure Development in Health (ANDIS) shall set out the following functions for the Agency:

Preparing and implementing priority public health infrastructure investment projects in a timely manner, in accordance with the specifications and within the framework of the approved budget.

Article 3(3) letter c) of the Government Emergency Ordinance No. 76/2022 provides the objectives that ANDIS pursues with its activity. These are preparing and implementing investment projects of major importance for the health infrastructure in a timely manner, in accordance with the specifications and within the framework of the approved budget.

Issuing instructions, recommendations and applicable methodological standards for the preparation, implementation and completion of public health infrastructure investment projects.

Article 4(1) letter b) of the Government Emergency Ordinance No. 76/2022 provides that for developing health infrastructure, ANDIS has to draft and adopt instructions, guidance and recommendations approved by order of the president of ANDIS. These have to cover the preparation, implementation and completion of investment projects and will apply the relevant legal provisions. Article 4(1) letter d) provides that ANDIS shall develop methodologies on strategies for financing investment projects in health infrastructure, implementation of investment projects of considerable importance in health infrastructure from project design until commissioning of the investment objective achieved under the project according to the destination, prioritisation of investment projects of considerable importance in health infrastructure, management, supervision and commissioning of investment targets of considerable importance in health infrastructure according to the destination.

Providing specialised assistance in the field of investment projects in public health infrastructure to ministries, public hospitals or to other public authorities.

Article 4(1) letter l) of the Government Emergency Ordinance No. 76/2022 specifies that ANDIS, when developing health infrastructure, will provide specialised assistance to ministries and institutions with their own health networks or to the public hospitals in those health networks for the implementation of the investment projects.

Establishing and implementing the multiannual programme of priority investment projects in public health infrastructure

Article 4(1) letter g) of the Government Emergency Ordinance No. 76/2022 specifies that ANDIS has to draft the multiannual programme of investment projects of major importance for the public health infrastructure and submits it for approval to the Government, through the Ministry of Health. Article 7(1) and (2) provide that ANDIS has to manage the major health infrastructure investments which are included in the multiannual programme, thus ensuring the implementation of the programme.

Monitoring the implementation of public health infrastructure investment projects

Article 4(1) letter h) of the Government Emergency Ordinance No. 76/2022 tasks ANDIS with monitoring the implementation of investment projects of major importance for the public health infrastructure. Article 2 letter b) defines the external beneficiaries as Ministries and institutions with their own health networks or public hospitals in their health network implementing considerable investment projects. Also, Article 4(2) letter c) refers to monitoring the implementation of investment projects in the public health infrastructure among the functions of ANDIS. ANDIS has to collect and publish data, information and reports related to the implementation of these projects.

Setting-up a centre of excellence in the management of public health infrastructure investment projects

Article 3(3) letter b) of the Government Emergency Ordinance No. 76/2022 provides that through its activity, ANDIS should ensure high quality and performance requirements for the public health infrastructure and become a centre of excellence in the management of objectives/investment projects. This should lead to a high-performance management, permanent improvement of the administrative capacity for implementing the investments and the transfer of knowledge and expertise in implementing investments, including those supported by the Union budget.

Establishing partnerships and concluding financing agreements for investment projects in public health infrastructure

Article 4(1) letter i) of the Government Emergency Ordinance No. 76/2022 provides that ANDIS should establish partnerships and conclude financing agreements for objectives/investment projects of major importance for the public health infrastructure, in particular those included in Romania's recovery and resilience plan.

The president of ANDIS shall be appointed and the recruitment of staff for the 15 key roles in the finalised ANDIS organisation chart shall be completed by the time the agency becomes operational

The president of ANDIS was appointed through the Ministerial Order No. 459/2023 of 17 February 2023 and the organization chart was approved through the Government Decision No. 857/2022 of 6 July 2022. The key roles of staff concern the activities of analysis and planning, implementation and monitoring of projects, economic and logistics, legal and human resources, and procurement. 26 staff members were recruited, according to the list of ANDIS personnel of 28 February 2023, including for the key roles, so that the agency would be operational. Part of staff has been transferred from the Ministry of Health and central and local public authorities. The agency became

operational through the appointment of the president of ANDIS, the recruitment of staff for the 15 key roles and the completion of the ANDIS organisation chart.

In addition to the requirements stemming from the description of the milestone, the description of the measure requires the setting up and rendering operational of ANDIS as a public institution with legal personality and subordinated to the Ministry of Health, able to manage major public health infrastructure projects, as well as to provide technical expertise at the request of local authorities. It also requires ANDIS' endowment with a headquarters as well as staff training activities and consultancy and technical assistance for the projects falling under ANDIS' portfolio. The setting up and operationalisation of ANDIS was ensured through Government Emergency Ordinance No. 76 of 2 June 2022 on the establishment, organisation and functioning of the National Agency for the Development of Health Infrastructure, the appointment of the president and the essential staff. Article 1(2) of Government Emergency Ordinance No. 76/2022 provides that ANDIS is a public institution with legal personality, subordinated to the Ministry of Health, and Article 5(1) refers to its role in managing major health infrastructure projects. Articles 4(1) letter l) and 4(2) letter d) refers to the provision of technical expertise to beneficiaries, including local authorities. The staff training activities are established in Article 4(1) letter q) of Government Emergency Ordinance No. 76/2022 and consist of training and upskilling programmes, conferences and experience sharing on health infrastructure investments. The consultancy and technical assistance activities for projects under ANDIS' portfolio are mentioned in Article 4(2) of Government Emergency Ordinance No. 76/2022 and consist of guidance on financing opportunities, contracting and procurement, management, implementation and monitoring of projects. Finally, Government Decision No. 276/2023, published in the Official Journal No. 267 on 30 March 2023, establishes new headquarters for ANDI, setting up proper work conditions and spaces for a bigger number of employees. The new address is Piața Presei Libere, nr. 1, House of Free Press, Corp B, et. 4 Bucharest.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 356 | Related Measure: Increased capacity for health management and human resources in health | |
| Name of the Milestone: Entry into force of the legislative framework for the increased capacity for health management and human resources in health | | |
| Qualitative Indicator: Entry into force of the legislative framework for the reform of the management of health service and of human resources | | Time: Q2 2022 |
| <p>Context:</p> <p>The objective of sub-reform 3.1 is to improve the knowledge, skills and competences of the employees responsible for the management of health services across the Romanian health system. Milestone #356 concerns several legislative changes developing competence criteria for specialist staff active in the management of health services, thereby establishing a framework for professionalisation of management.</p> <p>Milestone #356 is the first step of the implementation of the sub-reform and it will be followed by target #361 related to training on health service management. The sub-reform has a final expected date for implementation of 30 June 2025.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> | | |

- i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Government Ordinance No. 14 of 13 July 2022 amending and complementing Law No. 95/2006 on the reform in the health sector, published in the Official Journal No. 711 on 15 July 2022;
- iii) Copy of the Government Ordinance No. 37 of 31 August 2022 amending and complementing Law No. 95/2006 on the reform in the health sector and Law No. 227/2015 on the Fiscal Code, as well as establishing some other measures in the health sector, published in the Official Journal No. 857 on 31 August 2022;
- iv) Copy of the Government Emergency Ordinance No. 129 of 29 September 2022 amending Article IV of Government Emergency Ordinance No. 44/2022 on establishing some measures within the health system, as well as for the interpretation, modification and complementing some legal acts, for the prolongation of some deadlines, and for establishing some measures in the health sector, published in the Official Journal No. 954 on 30 September 2022;
- v) Copy of the Government Decision No. 1183 of 29 September 2022 on the organisation and functioning of the National Institute for Health Services Management (hereinafter also referred to as “INMSS”), published in the Official Journal No. 961 on 3 October 2022;
- vi) Copy of the Government Decision No. 1184 of 29 September 2022 on the modification of annex 2 of Government Decision No. 144/2010 on the organisation and functioning of the Ministry of Health, published in the Official Journal No. 961 on 3 October 2022;
- vii) Copy of the Ministerial Order No. 3143 of 7 October 2022 on the establishment of the quality evaluation criteria for the endorsement of upskilling courses in health management or health services management, published in the Official Journal No. 983 on 10 October 2022.
- viii) Copy of Government Decision 1236 of 12 October 2022, approving the Memorandum of Understanding between the World Health Organisation and the Romanian Ministry of Health as the main grant beneficiary of the National Recovery and Resilience Plan for Romania, signed in Bucharest and Copenhagen on 10 June 2022, of Amendment No 1 to the Memorandum of Understanding signed in Bucharest and Copenhagen on 1 August 2022, and of Amendment No 2 to the Memorandum of Understanding signed in Bucharest and Copenhagen on 22 September 2022, published in the Official Journal No. 1035 on 25 October 2022.

The authorities also provided:

- ix) Copy of Decision No. 12 of 29 June 2018 of the College of Doctors of Romania on the regulation of the national system of continuous medical education, of the criteria and rules for the accreditation of providers of continuing medical education, and of the procedural system for the evaluation and crediting of continuous medical education activities addressed to doctors, published in the Official Journal No. 683 on 6 August 2018;
- x) Collaboration Protocol No. 16679 of 22 September 2022 between the Ministry of Health and G6-UMF University Alliance Association.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

The amendments target the main law governing the health sector (Law No. 95 of 2006, as amended)

On 15 July 2022, Government Ordinance No. 14 of 13 July 2022 amending and complementing Law

No. 95/2006 was published in the Official Journal and entered into force three days later, on 18 July 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. On 31 August 2022, Government Ordinance No. 37 of 31 August 2022 bringing further amendments to Law No. 95/2006 was published in the Official Journal and entered into force three days after its publication, on 3 September 2022. These Government Ordinances complemented Law No. 95/2006 with provisions regarding competence criteria for enrolment in competitions for health management positions as for certain management positions, a degree in a subject of study and/or a minimum number of years of experience with related tasks must be reached to fulfil the eligibility criteria for the respective position. Also, Article IV of Government Emergency Ordinance No. 129 of 29 September 2022 amended the provisions in Law No. 95/2006 concerning the requirements for upskilling courses for management positions. The new provisions refer to the obligation of managers to provide proof of graduating upskilling courses in two years after the entry into force of the Government Emergency Ordinance and every two years afterwards under the sanction of dismissal. It was published in the Official Journal on 30 September 2022, entering into force on the same date, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts, for the purpose of increasing the capacity for health management and human resources in health.

Additionally, a number of Government Decisions shall enter into force in order to operationalize the changes in this law.

Two Government Decisions concerning the establishment, organising and functioning of the National Institute for Health Services Management (INMSS) entered into force and operationalized the changes in Law No. 95 of 2006. On 3 October 2022, Government Decision No. 1183 of 29 September 2022 on the organisation and functioning of the INMSS and Government Decision No. 1184 of 29 September 2022 introducing the INMSS as a unit with financing from own sources or from subsidies raised by the State budget were published in the Official Journal and entered into force on the same date. Since INMSS is the public institution responsible for training, upskilling, medical education and professional development programmes in the field of health services management, these Government Decisions address the requirements in the description of the milestone concerning the continuous professional development of health professionals, the development and reinforcement of the body of health service management experts and the evaluation of health service management training programmes. Moreover, the Ministerial Order No. 3143 of 7 October 2022 approving the establishment of quality evaluation criteria for the endorsement of upskilling courses in health management or health services management was published in the Official Journal No. 983 from 10 October 2022 and entered into force on the same date. The Ministerial Order operationalized the changes in Law No. 95 of 2006 concerning the obligation of managers of health institutions to undertake regular upskilling courses in health management and health services management, in line with the quality criteria established through the Order of the minister of health.

The main provisions of the newly introduced pieces of legislation shall:

- **adjust the competence criteria for enrolment in competitions for health management positions**

Government Ordinance No. 14 of 13 July 2022 adjusts in Article I(1), (3), (5), (7), (11) and (12) the competence criteria necessary for the enrolment in competitions of persons applying for the management positions of the County and Bucharest Public Health Directorates, the County Ambulance Services and the Bucharest-Ilfov Ambulance Service, the Public Hospitals and the National Health Insurance House. Therefore, graduation of certain studies and a minimum number of years of experience with defined related tasks has to be reached to fulfil the eligibility criteria for a position. Article I(7), (14), (20) and (23) of Government Ordinance No. 37 of 31 August 2022 also

includes provisions concerning criteria on education, specialisation and experience for the enrolment in competitions for different management positions in the health care institutions.

- **adjust the quality criteria for health service management training programmes**

The Annex to the Ministerial Order No. 3143 of 7 October 2022 on the establishment of quality evaluation criteria for the endorsement of upskilling courses in health management or health services management adjusts the general quality criteria through clarifying the definitions for different types of trainings. In the Annex of the Ministerial Order No. 3143/2022, the first section deals in Article I with initial training (long-term courses), asking for the tertiary level of education of the trainees, and in the first section in Article II with continuous training (short-term courses), asking for the graduation of master studies or PhD in health management or health services management and the qualification of specialist or primary doctor in public health or management. The second section of the Annex defines specific criteria for the assessment of the quality of training programmes focusing on institutional competence (Article I), logistics (Article II), personnel competences (Article III), educational effectiveness (Article IV), assessment of trainees by specialised personnel (Article V) and assessment of the training programme by the trainees (Article VI). The definition of the quality criteria adjusts the health service management training programmes to recognise the different professional merits and rewards of health professionals.

- **update the requirements for the continuous professional development of health professionals**

The requirements for the continuous professional development of health professionals were updated through Article IV(1) and (2) of the Government Emergency Ordinance No. 129 of 29 September 2022. As provided for in Article IV(2), the management staff has the obligation to provide proof of graduation of a short-term upskilling course in health management in two years from the date of entry into force of the ordinance or in two years from the date of their appointment, and every two years afterwards, under the sanction of dismissal from their post. In addition, Article II of the Annex to the Ministerial Order No. 3143/2022 sets out general criteria for the organization of training programmes and specifies the requirements for the admission of trainees to the continuous training programme in health management and health services management.

- **develop and reinforce the body of health service management experts**

Article I(13), (14), (15) of Government Ordinance No. 14 of 13 July 2022 explains the role of the National Institute for Health Services Management in providing professional training and drafting training curricula in the field of health services management in partnership with medicine and pharmacy universities, in designing and updating the database of experts in health services management and in contracting external experts for the interdisciplinary training needs. Also, Government Decision No. 1183 of 29 September 2022 sets the organizational and functional framework for the Institute, the public institution which contributes to the development and reinforcement of the body of health service management experts by running training, upskilling, continuous medical education and professional development programmes in the field of health services management.

- **develop the auditing and evaluation of health service management training programmes**

Article 5 of Government Decision No. 1183 of 29 September 2022 establishes that the National Institute for Health Services Management has a Scientific Council whose role is to propose and evaluate the research-development-training activities in the field of health services management. Also, Article 1 corroborated with Article 3 letters a) and b) of the Collaboration Protocol between the Ministry of Health and the Association University Alliance G6-UMF provides that the two parties will work together on the evaluation of the current human resources training programmes for

health services management and on the development of the mechanism for periodic evaluation and accreditation of programmes for initial and continuous training for human resources in health services management.

Sections V and VI from the Ministerial Order No. 3143 of 7 October 2022 concern two types of assessment: evaluation of the participants by the training provider and evaluation of the training programme by the participants.

The newly adopted legislation shall help professionalise the management of health services by developing competence criteria for specialised staff.

Article I(1), (3), (5), (7), (11) and (12) of the Government Ordinance No. 14 of 13 July 2022 provides the competence criteria for the management positions of the Health Directorates, the Ambulance Services, the Public Hospitals and the National Health Insurance House, contributing to the professionalization of these functions. Article I(7), (14), (20) and (23) of Government Ordinance No. 37 of 31 August 2022 includes also provisions on competence criteria concerning education, specialisation and experience (graduation of university studies in medicine, law or economics, number of years of work experience, specialisation in certain medical fields) for different management positions (executive director, general manager, medical director) in the health care institutions.

Furthermore, in line with the description of the measure, a centre of excellence in the field of health services management shall become operational and accredited training programmes for the concerned human resources in management (which include members of the hospital steering committees, heads of sections, heads of laboratories in health facilities, executive directors, chief doctors, managers) shall be carried out in collaboration with those academic institutions with a leading portfolio in the field of training and development of human resources responsible for the management of health services. Throughout the implementation period of the reform, the Ministry of Health is expected to benefit from technical assistance and consultancy provided by experts.

Government Ordinance No. 14 of 13 July 2022, Article 1 (13-15) establishes the National Institute of Health Services Management which includes a centre of excellence for capacity building in the field of health services management which is operational within its organizational structure. The training programmes for the human resources in management positions are subject to target #361 (Q2/25). The Ministry of Health is benefitting from the technical assistance and consultancy provided by the experts of the World Health Organisation (WHO) for the period of the implementation of the reform of the health service management. In this sense, the authorities referred to the Memorandum of Understanding for Technical Assistance between Romania and the WHO for developing the quality criteria for health services management training programs in the Cover Note No. 20864 of 18 November 2022. Government Decision No. 1236 of 12 October 2022 approves this Memorandum.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 357 | Related Measure: Increased capacity for health management and human resources in health | |
| Name of the Milestone: Entry into force of legislation for the strategic framework for the development of human resources in health | | |
| Qualitative Indicator: Entry into force of the legislation for the strategic framework for the development of human resources in health by Government Decision | | Time: Q2 2022 |
| Context: | | |

The objective of sub-reform 3.2 is to strengthen the capacity of the Romanian health system and to educate, recruit, retain and motivate a workforce ready to respond to the current and future health needs of the population.

Milestone #357 requires the entry into force of the legislation for the strategic framework for the development of human resources in health by Government Decision.

Milestone #357 is the first step of the implementation of the sub-reform, followed by milestone #358 on the adoption of the sectorial action plans for the development of human resources in health, milestone #359 on the setting up of a framework of differentiated recognition of professional merits and reward of health professionals. In addition, target #360 related to building and fully equipping two new skill development centres for public healthcare staff and target #362 on trainings on human resources management in health institutions complement the implementation process. The sub-reform has a final expected date for implementation of 30 June 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the Government Decision No. 854 of 30 June 2022 on the approval of the Multi-Annual Strategy for the development of human resources in health 2022-2030, published in the Official Journal No. 663 on 1 July 2022, with the Multi-Annual Strategy incorporated in the annex of the Government Decision.

The authorities also provided:

- iii) Substantiation Note to Government Decision No. 854 of 30 June 2022, published in the Official Journal No. 663 on 1 July 2022.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Entry into force of the legislation for the strategic framework for the development of human resources in health by Government Decision. The law shall set out a new strategic framework for the development of human resources in health, in line with the overall objectives of the health system.

With its Government Decision No. 854 of 30 June 2022, the Romanian Government approved the Multi-Annual Strategy for the development of human resources in health 2022-2030 (hereinafter referred to as “the Strategy”). The Government Decision, which includes the Strategy in its annex as mentioned in Article 1, entered into force on the date of its publication in the Official Journal, on 1 July 2022, in accordance with Article 12(3) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Chapter 3 of the Multi-Annual Strategy for the development of human resources in health 2022-2030 describes the priorities and policies for the development of human resources for generating, managing and motivating the human resources in health, thus contributing to the promotion of health, sickness prevention and improving the quality of life of the population as main objectives of

the health system. Chapter 4 of the Multi-Annual Strategy for the development of human resources in health 2022-2030 analyses the context and chapter 6 lines out the directions of actions on how to address Romania's need for health workers and the territorial distribution disparities, as well as how to improve the working conditions of the medical personnel. The strategic framework is compliant with the 2020 Country Specific Recommendations as specified in chapter 3 and it is structured around different priorities, directions of actions and specific objectives.

The key elements on the strategic framework shall be:

- The human resources in health – sourcing

Direction of action 6.2 of the Strategy contains the elements related to sourcing of human resources. It focuses on improving the recruitment and retention mechanisms for medical personnel and trainers in the medical field through ensuring adequate working conditions, lining out transparent recruitment criteria and the creation of a centre of excellence in health service management capacity building and a consortium of health service management experts. Moreover, Direction of action 6.3 focuses on competency-based training to update medical and pharmaceutical university education and align it with EU standards. Direction of action 6.4 puts the emphasis on existing staff and aims to improve the framework for continuous medical education, adequate post-graduate training of healthcare staff, continuous professional development, as well as planning and retention of human resources in health through offering continuous education and professional development programmes.

- The management of human resources in health

Direction of action 6.2 of the Strategy concerns the strengthening of human resources management through regulation, retention, evaluation, and continuous development. The scope of training offers shall be increased, and a centre of excellence shall be created. The development of accreditation standards for health units, in order to implement a modern management of human resources in medical institutions is also envisaged.

- The motivation management for human resources

Direction of action 6.2 of the Strategy includes the improvement of the working environment for healthcare workers and the adequate funding of the healthcare sector. Direction of action 6.6 includes as an additional incentive performance- and output-based wage policies. Specific objective 6.6.6 awards incentives for staff providing health services in remote areas and/or for underrepresented specialities.

- The health workforce governance

Direction of action 6.1 of the Strategy describes in more detail how health workforce governance should be addressed. It focuses on strengthening the capacities of human resources in public institutions involved in health. This includes the creation and empowerment of a centre/directorate with responsibilities in human resources policies in the Ministry of Health. Processes in the health system shall be de-bureaucratized through the deployment and use of software in order to increase the efficiency of the workforce. The cooperation across all segments with regulators, national and local authorities should follow a patient-centred approach. Better collaboration shall be promoted on a regional, national and international level, for the development of human resources in health. This shall be achieved through updating the legislative framework for human resources in health to EU standards and according to the recommendations of the World Health Organisation, and by creating a legal framework for circular mobility of the medical personnel.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 387 | Related Measure: Introduction of work cards and formalisation of work in domestic work | |
| Name of the Milestone: Entry into force of legislation, and its implementing rules, for the domestic workers voucher system | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the law for implementing labour voucher system | | Time: Q1 2022 |
| <p>Context:</p> <p>The measure aims at reducing undeclared work through its formalisation in the field of domestic work, while encouraging inactive persons to enter employment.</p> <p>Milestone #387 requires the entry into force of the law establishing the labour voucher system for domestic workers who are recorder as unemployed or inactive in order to integrate them into a formalised employment status with related social security and health insurance coverage.</p> <p>Milestone #387 is the first step of the implementation of this reform. It is followed by four targets: two targets due in Q4 2024 and two targets due in Q1 2026. These subsequent targets cover a number of beneficiaries hiring domestic workers through the vouchers system (targets #388 and #389), and a number of service providers/domestic workers providing services by means of work cards through the labour voucher system (targets #390 and #391).</p> <p>In addition, milestone #387 is the basis for investment 3 under the same component and for milestone #397 under this component, requiring the operationalisation of the digital platform for the voucher system in Q4 2023.</p> <p>The reform has a final expected date for implementation by 30 March 2026.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Copy of the Law No. 111 of 21 April 2022 on the regulation of the activity of the domestic service provider, published in the Official Journal No. 402 on 27 April 2022; the law enters into force on 1 January 2024; iii) Copy of the Government Decision No. 822 of 23 June 2022 approving the Implementing Rules of Law No. 111/2022, published in the Official Journal No. 631 on 27 June 2022; the government decision enters into force on 1 January 2024. | | |
| <p>Analysis:</p> <p>The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.</p> <p>1) Entry into force of the law for the establishment of the labour voucher system to boost formal employment of domestic workers who are currently recorded as unemployed or inactive</p> <p>Article 19 of the Law No. 111/2022 provides that it enters into force partially on 30 April 2022, while the law is to enter into force in its entirety on 1 January 2024. Article 13(1) of the Law is the article that entered into force on 30 April 2022, and concerns the setting up of the electronic platform for</p> | | |

the registration of domestic activities by 1 January 2024. Thus, the electronic platform set up in line with this Article 13(1) allows for the operationalisation of the labour voucher system and for the application of the provisions of the law on labour vouchers in its entirety, starting from that date.

Milestone #387 is part of reform 4 which is directly connected to investment 3 of the component. The reform aims at establishing a system of payment and registration of persons carrying out domestic work on the basis of vouchers. The objective of investment 3 is to operationalise the labour voucher system by ensuring simple and digital access for all users. The legislation enters into force with the operationalization of the electronic platform for the voucher system (milestone #397) which is foreseen in Q4/2023.

Moreover, in Component 13 on Social reforms of the RRP submitted by Romania, under Investment 3 – “Operationalisation of the introduction of work cards for domestic work”, in pages 52-53, it is mentioned that: *“In 2022, the legislative framework and the implementing rules governing the activity of the domestic worker, remunerated in employment vouchers, will be laid down. In order to operationalise the new legislative provision, it is necessary to develop and implement a platform, to be used and managed by ANOFM (the Romanian Public Employment Service), through the territorial employment agencies, as well as the purchase of labour vouchers. It is also necessary to ensure that the staff who will use the platform are properly trained. In 2023-Q4, the platform will become operational and the provisions of the legislative act can be implemented.”* (source: <https://mfe.gov.ro/pnrr/>, Component 13)

Therefore, taking into consideration the interdependent relationship between the law establishing the voucher system (milestone #387) and the platform operationalizing it (milestone #397), as well as the fact that the original purpose envisaged by the RRP submitted by Romania was to have the two milestones connected, the objective of the reform that this milestone represents is to operationalise the platform in 2024. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The establishment of the labour voucher system is prescribed by Article 1 of Law No. 111/2022, which provides that the law regulates the system through which natural persons can perform domestic activities in exchange for a remuneration paid through labour vouchers for domestic work. This Law No. 111/2022 is the first legal framework regulating work performed by domestic providers outside commercial activities and not based on labour contracts. Article 2(1) letter a) of the Law specifies that domestic work is not a commercial activity, and Article 3(4) states that the working agreement between the provider and the beneficiary does not have a written form. Article 9(1) and (4) establish that the provider must pay the taxes and social insurance contributions for the income gained from domestic work, which are deducted from the value of the labour vouchers. Thus, the employment of domestic workers performing non-commercial activities is formalised, boosting the formal employment of this type of workers.

2) This voucher system should create incentives to create formal employment for domestic workers who are currently recorded as unemployed or inactive

The voucher system creates incentives for the formal employment of domestic workers. In particular, Article 4(1) letter e), Article 9(5) and Article 9(7) of Law No. 111/2022 establish the right of domestic workers to be insured in the health insurance system and in the public pensions system. Furthermore, Article 14(1) of this Law provides that the previously unemployed or inactive persons who gain income as domestic workers are not considered income earners. Therefore, as Article 14 (2) of the Law provides, the income obtained through domestic work vouchers shall not be taken into account when establishing and granting the right to the guaranteed minimum income. This

maintains the eligibility of the guaranteed minimum income for those previously benefiting through this support.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 401 | Related Measure: 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 | |
| Name of the Milestone: Entry into force of the methodologies and procedures to improve public policy rationale and planning and administrative simplification | | |
| Qualitative Indicator: Provision in the laws and the government decisions indicating the entry into force of the laws and government decisions respectively for improving public policy rationale and planning and administrative simplification | | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone #401 is part of reform C14.R1, which aims at (i) streamlining central government policy planning, (ii) enhancing the transparency and predictability of the legislative process and (iii) improving the consultation process of legislative proposals. Milestone #401 is part of the first strain of measures under C14.R1.</p> <p>Milestone #401 consists in the publication of five government decisions to streamline policy planning in the short and medium term, ensure coherence of policies with the budgetary process and strengthen the framework for ex-ante and ex-post impact assessment.</p> <p>Milestone #401 is the first step of the implementation of reform C14.R1 towards a more streamlined central government policy planning. It is complemented by milestone #404 on the establishment of a structure under the General Secretariat of the Government for monitoring the quality of regulatory impact assessments and evaluations (please refer to the preliminary assessment fiche for milestone #404). It will be followed by: (i) milestone #402 providing for the development of the Institutional Strategic Plans (ISP) platform through which strategies are submitted; (ii) milestone #405 providing for the development and operationalisation of a platform that should monitor innovation in the public administration; (iii) target #403 setting the minimum number of ministries using the ISP platform; (iv) target #408 setting the minimum share of ex-ante impact assessments (also referred to as “presentation and motivation tools”) satisfying the quality criteria (being assessed at an excellent or satisfactory level) according to the Government methodology; (v) target #409 on the minimum share of proposed legislative initiatives included in the Government Annual Working Plan approved within the set deadline.</p> <p>For the first strain of measures mentioned above, Reform C14.R1 has an expected date for full implementation in Q1 2026.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note duly justifying how the milestone was satisfactorily fulfilled; ii) Government Decision No. 379/2022 (published in the Official Journal No. 285 on 24 March 2022) laying down procedures for the development, implementation, monitoring, | | |

evaluation and updating of government strategies;

- iii) Government Decision No. 427/2022 (published in the Official Journal No. 301 on 29 March 2022) laying down the procedures for strategic planning and budgetary programming;
- iv) Government Decision No. 443/2022, published in the Official Journal No. 333 on 5 April 2022 (hereinafter also referred to as the “Better Regulation Government Decision”):
 - a) updating the methodology for the ex-ante impact assessment of draft regulations, including the SME test;
 - b) introducing the one-in-one-out principle in the legislation and approving the methodology for applying the principle;
 - c) updating the methodology for the ex-post impact assessment of draft regulations.

Analysis:

The Council Implementing Decision states that the qualitative indicators are the “provisions in the laws and the government decisions indicating the entry into force of the laws and government decisions (...)”. In accordance with the Romanian Administrative Code, Chapter III. Section 1. Article 25 (e), the strategies, programs, and methodologies elaborated for specific policy areas shall be adopted by the Government through a Government Decision. Nonetheless, the Government Decision is evidence by the publication in the Official Journal, entering into force at the date of the publication. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The justification and substantiating evidence provided by the Romanian authorities cover all of the constitutive elements of the milestone.

The milestone consists of the entry into force of:

(1) a Government Decision laying down procedures for the development, implementation, monitoring, evaluation and updating of government strategies.

Government Decision No. 379/2022, which, according to its Article 1, entered into force on 24 March 2022, lays down procedures for the development, implementation, monitoring, evaluation and updating of government strategies, and contains in its Annex a methodology with further details on the procedures for elaboration, implementation, monitorization, evaluation and updating of government strategies. As further specified in the Operational Arrangements, Government Decision No. 379/2022 (the “Better Regulation Government Decision”) merges and has the same scope as the three Government Decisions included in the milestone description: Government Decision on updating the methodology for ex-ante impact assessment of the draft regulation, Government Decision on approving the “One in, one out” Methodology, and Government Decision on the procedural and methodological framework for ex-post assessment of regulations.

The methodology lays down procedures for drafting government strategies (Chapter II, Section 2), identifies the institutions in charge for their development and implementation (Chapter III), and sets out the conditions for monitoring, evaluating, and updating the strategies. In particular:

- i) As for **development**, the methodology (Art. 7) requires a strategy to identify synergies with existing priorities, policies, and legal frameworks, to describe the context of implementation as well as its general and specific objectives. The strategy must set out lines of action (together with a detailed action plan), define expected results and indicate the institutions responsible for the implementation, including indicators and procedures for monitoring and evaluating the strategy. Finally, the strategy must estimate the budgetary impact.
- ii) As for **implementation**, the methodology identifies (Art. 3) the General Secretariat of the Government, in particular the Directorate for Coordination of Policies and Priorities, as the

national coordinator for the preparation of government strategies. The General Secretariat of the Government is tasked with providing methodological guidance for the development of government strategies, their evaluation and update (Art. 12). The methodology (Art. 8) requires that an institution initiating a strategy is to set up a working group in charge of the drafting, consultation, endorsement process and finalisation of the strategy, under the coordination of the General Secretariat of the Government. For cross-sectoral strategies, the initiator in the lead shall set up an inter-ministerial working group (Art. 9).

- iii) As for the **monitoring and evaluation** process, the methodology requires each strategy to include indicators against which performance is measured and implementation monitored (Art. 14). According to Art. 13, the General Secretariat of the Government is to use the Institutional Strategic Plans (ISP) IT platform to monitor the strategy implementation using the indicators. The action plan that must accompany each strategy is to set out the timeline for periodic monitoring and evaluation (Art. 14).
- iv) Finally, strategy initiators are to **update** their strategies at the expiration of the implementation period, in case of relevant emergency situations, and when it is necessary to align policies with European priorities (Art. 16).

(2) a Government Decision laying down the procedures for strategic planning and budgetary programming to ensure an adequate link between policy priorities and budget formulation. Ministerial budget programs shall implement the recommendations of spending reviews (which are introduced under the Tax and pensions reform component section of the Council Implementing Decision Annex) and according to the methodology developed in cooperation with the Ministry of Finance.

Government Decision No. 427/2022 which, according to national legislation, entered into force on 29 March 2022, lays down the procedures for the development, implementation, monitoring, evaluation and updating of institutional strategic plans (ISP).

The Government Decision includes a methodology that defines an ISP as a strategic document consisting of the planning and the budgetary component of a strategy (Annex 1, section 1.1). For a selected policy area (such as, healthcare, education, transport etc.), the methodology requires the ISP to define a long-term vision (6-10 years) and break it down into strategic objectives. The pursuit of these objectives is detailed in the budgetary component, which lists a medium-term (2-4 years) program with related measures and actions (Annex 1, section 2).

The methodology ensures an adequate link between policy priorities and budget formulation as required by milestone #401 because the ministry (or ministries) in charge of an ISP must specify for each program and measure the performance indicators (which allow for the monitorisation and evaluation of the public policy effects on medium and long term), timeline for implementation, program manager and the financing of the program (an annual budget with estimates for the following three years [Annex 1, section 3]). Moreover, according to Article 6 of Government Decision No. 427/2022, program expenditure planning must be designed according to the overarching macroeconomic and fiscal stability guidelines and in compliance with the Medium-Term Budgetary Framework, respecting the Methodology for drawing up and implementing budget programmes (Government Decision No. 467/2022, approved under milestone 200 of Component 8 (Tax and Pensions Reforms), of the Romanian Recovery and Resilience Plan) and in line with instructions set out in Art. 13(c) of the Government Decision No. 427/2022, which provides that the preparation and update of the budgetary component in the Institutional Strategic Plans, must be linked with the Fiscal Strategy and the annual budget. Thus, the performance indicators elaborated as part of the Institutional Strategic Plans will be the same indicators used in the budgetary execution process. In elaborating the methodologies, the General Secretariat of the Government and the Ministry of Finance have been collaborating at a technical level. Furthermore, during the official decision-making process, both Government decisions and both methodologies were

subjected to the endorsement process by the Ministry of Finance.

According to Chapter IV of the Methodology, although the General Secretariat of the Government and the Ministry of Finance monitors the drafting and implementation of the planning and the budgetary components of the ISP separately, coherence is ensured because for each ISP the initiator has to use the same set of strategic objectives, programs, measures, and actions, together with their expected results and identical indicators of performance. Moreover, the General Secretariat of the Government and the Ministry of Finance co-lead the assessment of the ISP and its components.

Related to Government Decision No. 427/2022, Romania adopted Government Emergency Ordinance (“GEO”) No. 187/2022, which entered into force on 28 December 2022 and amends Law No. 500/2022 on public finances. Article 32 of the revised Law on public finances requires the Ministry of Public Finance to submit to the Government on a yearly basis expenditure limits for the following budget year, as well as estimates for the following three years – as established by chief authorising officers of each public institutions. Article 31 of the Law on public finance, as amended by the new GEO No. 187/2022, requires the expenditure limits to take into account recommendations set out in the Public Expenditure Review Reports

(3) a Government Decision on updating the methodology for ex-ante impact assessment of the draft regulation. The focus of the updated methodology shall be on introducing innovation and “digital by default” principles as well as specific procedures for strengthened implementation and annual reporting.

Government Decision No. 443/2022 (the “Better Regulation Government Decision”) which, according to national legislation entered into force on 5 April 2022 regulates the scope and implementation of ex-ante regulatory impact assessment (also referred to as “presentation and motivation tools”).

The Government Decision, together with the relevant Annexes, updates the 2015 impact assessment methodology. As mentioned in Annex No.2 of the Government Decision, the methodology is an update of the Preliminary Impact Assessment Methodology developed in 2015 with the support of the World Bank under project Building the capacity of the central public administration to carry out impact assessments, SIPOCA 25. Source: <https://sgg.gov.ro/1/politici-publice-si-programe/documente/evaluarea-preliminara-a-impactului/>. Any institution preparing a draft regulation is required to conduct an impact assessment specified in Annex 1 (a templated impact assessment) using the methodology described in Annex 2.

In line with the Council Implementing Decision, the methodology introduces innovation and “digital by default” principles to ensure that new draft regulations favour the digital transformation in their targeted policy area. Initiators of draft regulations are required to describe ex-ante how the new legislation intends to (i) encourage digitalisation and promote digital solutions; (ii) stimulate investment in research, development and innovation; (iii) facilitate the spreading of new production methods, technologies and products; (iv) facilitate application for, and access to, intellectual property rights; (v) promote academic or industrial research, as well as productivity and resource efficiency (Annex 1, section 3.7). Moreover, they must explain how the new legislation simplifies processes and access to digital tools, reduces digital gaps, interfaces with digital policies and ecosystems already in place, and regulates data exchanges between stakeholders involved.

The Better Regulation Government Decision introduces specific procedures strengthening implementation and annual reporting of ex-ante impact assessments. According to Article 5.2 the list of legislative proposals subject to an ex-ante impact assessment is drawn up by the General Secretariat based on the Government’s priorities, upon consultation of the relevant public authorities, and in compliance with the criteria set out in the methodology outlined in Annex No. 2 and in the Government Decision. The list is then submitted to the Government for approval.

The General Secretariat of the Government is in charge of monitoring the implementation of impact of the Better Regulation Government Decision , especially through the newly established Board (also referred to as “Consultative Council”) for the Evaluation of Impact of Regulatory Acts (Chapter 2) The General Secretariat of the Government publishes the impact assessment reports on its website and submits an annual report to the Government with an overview of the legislative process, its compliance with the Better Regulation Government Decision and listing the activities that the relevant authorities carried out.

(4) a Government Decision on approving the “One in, one out” Methodology aimed at reducing administrative burden

The Better Regulation Government Decision approves and introduces (Art. 2) the one-in-one-out rule: for any legislative act imposing compliance costs for businesses and civil society organizations, the initiator must identify equivalent compliance costs under the legislation in force and remove them (Annex 3, pg. 34).

The methodology in Annex 3 provides guidance to the initiator for identifying the aforementioned compliance costs, which can be classified in: financial costs (any form of direct taxation introduced by the new regulation), administrative costs (costs related to activities and tasks that a company needs to carry out to comply with the new legislation), and direct or capital costs (the value of goods or services to be purchased to comply with the new regulation). Annex 2 to the same Government Decision provides further technical guidance on the way to correctly estimate these costs.

In accordance with Article 5(3), the General Secretariat of the Government supervises the implementation of the one-in-one-out rule and ensures that the eligible normative acts comply with the guidelines set out in Annex 3, that the results of the one-in-one-out assessment are included in the presentation and motivation tools (as templated in Annex 1 and regulated by Annex 2 of the same Government Decision) and that any relevant existing provision to be superseded by the new legislation is effectively repealed within 12 months. As established under Article 14.1 the General Secretariat of the Government is also required to train institutions on the implementation of the one-in-one-out principle, when needed.

(5) a Government Decision on the procedural and methodological framework for ex-post assessment of regulations.

The Better Regulation Government Decision introduces guidelines and methodological framework to conduct ex-post assessments. Article 5.2 of the Government Decision requires the government to set out a calendar for ex-post assessments at the beginning of every year, based on its priorities.

Annex 5 to the Government Decision sets out the guidelines for carrying out an ex-post assessment, while Annex 4 provides a template of the impact evaluation report. In terms of framework and procedures for ex-post evaluation, the Government Decision provides that at the request of the Government and based on its priorities, evaluations will be conducted and included in the annual roadmap indicated in Article 5.2.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| <p>Number: 404</p> | <p>Related Measure: 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</p> |
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| Name of the Milestone: Entry into force of a legislative act operationalising a structure to ensure the implementation of an effective regulatory quality control mechanism | |
| Qualitative Indicator: Provision in a law indicating the entry into force of the law operationalising the regulatory quality control structure | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone #404 is part of reform C14.R1, which aims at (i) streamlining central government policy planning, (ii) enhancing the transparency and predictability of the legislative process and (iii) improving the consultation process of legislative proposals. Milestone #404 is part of the first strain of measures under C14.R1.</p> <p>Milestone #404 consists of the establishment and operationalisation of a mechanism at the Center of the Government for monitoring the quality of ex-ante impact assessments and ex-post evaluations (also referred to as “presentation and motivation tools”), the methodology which has been adopted by Government Decision No. 443/2022 (hereinafter referred to as “Better Regulation Government Decision”) under milestone #401.</p> <p>Milestone #404 is the second step of the implementation of C14.R1 towards a more streamlined central government policy planning. It complements milestone #401 (see the relevant preliminary assessment fiche), and in particular the publication of Government Decision No. 443/2022. It will be followed by: (i) milestone #402 providing for the development of the Institutional Strategic Plans (ISP) platform through which strategies are submitted; (ii) milestone #405 providing for the development and operationalisation of a platform that should monitor innovation in the public administration; (iii) target #403 setting the minimum number of ministries using the ISP platform; (iv) target #408 setting the minimum share of ex-ante impact assessments (also referred to as “presentation and motivation tools”) satisfying the quality criteria (being assessed at an excellent or satisfactory level) according to the Government methodology; (v) target #409 on the minimum share of proposed legislative initiatives included in the Government Annual Working Plan approved within the set deadline.</p> <p>For the first strain of measures mentioned above, Reform C14.R1 has an expected date for full implementation in Q1 2026.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) a cover note justifying how the milestone was satisfactorily fulfilled; ii) Government Decision No. 443/2022, published in the Official Gazette No. 333 on 5 April 2022 for the establishment of the Consultative Council for the impact assessment of normative acts; iii) Order of the General Secretary of the Government No. 757/2022, issued on 1 July 2022, establishing the technical secretariat of the Consultative Council for the impact assessment of normative acts (CCEIAN); iv) Prime Minister’s Decision No. 503/2022, published in Official Journal No. 990/12 October 2022, appointing the members of the CCEIAN; v) Decision of the CCEIAN No. 1/2022, issued on 13 October 2022, appointing its coordinator; vi) Decision of the CCEIAN No. 2/2022, issued on 13 October 2022, approving its rules and procedures; vii) Order of the General Secretariat of the Government No. 1161/2022, issued on 20 October 2022, approving the programme and training plan in the field of regulatory impact assessments for members of the central administration and of the CCEIAN, and its technical secretariat; | |

- viii) The programme and training plan in the field of regulatory impact assessment, issued by the General Secretariat of the Government
- ix) The communication strategy of the CCEIAN, approved by the General Secretariat of the Government
- x) World Bank report on “the comparative review of the institutional arrangements for RIA quality control (including recommendations on an action plan and operational procedures), published in October 2020.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all the constitutive elements of the milestone.

Entry into force of a legislative act operationalising a structure to ensure the implementation of an Effective regulatory quality control mechanism

Government Decision No. 443/2022, which entered into force on 5 April 2022, establishes a structure to ensure the implementation of an effective regulatory quality control mechanism (Article 7). The Prime Minister’s Decision No. 503/2022 appointed in a unique article the members of the CCEIAN. The Decisions of the CCEIAN No. 1/2022 and No. 2/2022 ensure through their articles the operationalisation of the CCEIAN, by respectively appointing its coordinator and adopting its rules and procedures.

1) The legislative act shall be based on the study carried out by the General Secretariat of the Government on the establishment of a quality control mechanism at the government centre.

Government Decision No. 443/2022 reflects the results of the World Bank report on “the comparative review of the institutional arrangements for RIA quality control (including recommendations on an action plan and operational procedures), published in October 2020 and also available online on the Government’s website (Comparative Review of the Institutional Arrangements for RIA Quality Control (including recommendations on an action plan (gov.ro))). While drafting the Government Decision No. 443/2022, Romania took under consideration the five options set out in the report for positioning the CCEIAN in the Romanian public administration architecture (for reference, please consult page 76 of the above-mentioned report). Romania moreover designed the CCEIAN using as a blueprint examples of scrutiny structures from across the European Union – especially for what concerns their mandate, activities, staffing and reporting obligations.

2) The new structure shall perform regulatory scrutiny of the quality of impact assessments and evaluations.

The Better Regulation Government Decision provides that the CCEIAN will assess whether regulatory ex-ante impact assessments accompanying draft legislative acts (Article 8(1a)) and the ex-post evaluations (also referred to as “report on the implementation of normative acts”, Article 8(1b)) have been carried out in line with the methodology set out in Annex 2 (for ex-ante impact assessments) and Annex 5 (for ex-post evaluations) of the same Government Decision. The assessment is conducted before the adoption of the draft normative act by the Government and as part of the inter-ministerial consultation (GD 443/2022, Article 8.2(a)).

3) [The structure] shall be composed of a board of experts supported by a technical secretariat, similar to the Regulatory Scrutiny Board that is currently active at the level of the European Commission.

Article 8 of the Better Regulation Government Decision requires the CCEIAN to monitor the quality of regulatory impact assessments accompanying normative acts drafted by central authorities before they are approved by the government, and their compliance with the methodology for the

preparation of presentation and motivation tools.

In practice, the CCEIAN must scrutinise regulatory impact assessments accompanying draft legislative acts that are part of the Annual Work Plan of the Government. The list of eligible acts is drafted by the technical secretariat of the CCEIAN and updated every 6 months (detailed in Article 15 of the CCEIAN Rules of procedure, adopted by CCEIAN Decision No. 2/2022 mentioned as evidence provided VI) The CCEIAN has five working days to issue an opinion on ex-ante impact assessments of draft laws, or three working days in the case of draft emergency ordinances (Article 15 of the rules and procedures). The opinion can be positive, positive with recommendations for amendments or negative, and is published on the website of the General Secretariat of the Government. The proponent of the law must take into account all comments by the CCEIAN and, if relevant, provide a justification for not taking them on board (Article 9 of the Better Governance Government Decision).

The opinion may also include recommendations on the way to conduct ex-post evaluations, including methods and techniques to be used (Article 10). The technical secretariat of the Council ensures the transmission of updated versions of ex-post assessments throughout the implementation process to ensure monitoring by the CCEIAN (Article 12).

These procedures are similar to the ones followed by the European Regulatory Scrutiny Board, with some differences to factor in the specificities of the Romanian institutional context.

In addition, the Better Regulation Government Decision provides that the CCEIAN “will collaborate with similar structures at European level, taking part in events organised by them or their associative structures.” (Article 8(3)).

4) The legislative act shall establish the following: (1) selection procedure for the board experts; (2) rules and procedures for the board and the technical secretariat (including job descriptions); (3) guidelines on how to assess the quality of documents; (4) communication strategy inside and outside Government; (5) trainings.

The Better Regulation Government Decision (Article 11) regulates the composition of the CCEIAN and its selection. Article 11(1) stipulates that the CCEIAN is made of five to eleven council members with experience and expertise in the preparation of normative acts, as well as the measurement of their impact and their evaluation (Article 11(1)), for a four-year mandate (Article 11(5)). Annex 7 to the Government Decision sets out procedures for their selection as well as detailed criteria for the evaluation of the candidates. The members of the CCEIAN are appointed by the Prime Minister (who can also remove them), on a proposal by the General Secretariat of the Government.

The rules of organisation and functioning (ROF, included as evidence VI) of the CCEIAN, equivalent to requirement (2), have been adopted by the CCEIAN itself, in line with Article 13 of the Better Regulation Government Decision. Annex 2 of the rules moreover provides for the job descriptions for the members of the Council and of its technical secretariat.

Annex 10 of the Government Decision sets out clear criteria for the members of the CCEIAN to evaluate the impact assessments and ex-post evaluations. The assessment has to be conducted in compliance with the template and methodology for impact assessments and for ex-post evaluations, set out respectively in Annex 1 and Annex 2 (Article 1(4) and Article 1(5)), and in Annex 4 and Annex 5 of the same Government Decision (Article 4(2) and Article 4(5)).

Article 15 of the Better Regulation Government Decision requires the Council to contribute to the drafting of the “Government’s communication strategy in the field of regulatory impact assessments.” The CCEIAN adopted its first communication strategy in fall 2022 (included as evidence IX), laying down strategies and actions to communicate scope, modalities, and principles of regulatory impact assessments within the decision-making process to both civil servants and the general public (including enterprises, non-governmental organisations and citizens) (for reference,

please see pages 6 – 15 of the strategy).

Finally, Article 14 of the Better Regulation Government Decision requires the General Secretariat of the Government to organise trainings in the field of impact assessments and ex-post evaluations for both proponents of normative acts, to improve their capacity to quantify ex-ante the impact of the proposed draft law, and members of the CCEIAN and its technical secretariat, to keep them updated about international best practices in the field. Romania provided the program and plan for upcoming trainings in the field of impact assessments and ex-post evaluations prepared by the CCEIAN and the General Secretariat of the Government, in accordance with the Better Regulation Government Decision.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 413 | Related Measure: Strengthening coordination at the centre of government through an integrated and coherent approach to climate change and sustainable development initiatives | |
| Name of the Milestone: Operationalisation of an Inter-Institutional Climate Committee | | |
| Qualitative Indicator: Inter-Institutional Climate Committee operationalised | | Time: Q2 2022 |
| Context: | | |
| <p>The measure C14.R2 aims to support the effective implementation of climate change and sustainable development policies, including European Green Deal initiatives, in Romania. This is to be achieved by improved inter-institutional coordination and by developing relevant policy skills of public administration officials.</p> <p>Milestone #413 concerns the establishment and operationalisation of an Inter-Institutional Climate Committee with a mandate to prioritise climate action and monitor progress annually based on approved priorities and action plans.</p> <p>Milestone #413 is the first step of the implementation of the reform and will be followed by targets #414 and #415 related to monitoring the achievement of the priorities set forth by the Inter-Institutional Climate Committee and the training and qualification of public officials as sustainable development experts. The reform has a final expected date for implementation in Q1 2026.</p> | | |
| Evidence provided: | | |
| <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note justifying how the milestone was satisfactorily fulfilled; ii) Government Decision No. 563 of 28 April 2022, published in the Official Journal No. 415 on 29 April 2022, hereinafter referred to as “the Government Decision”; iii) Memorandum approved in the Government Meeting of March 15 approving the Action Plan for 2023, and the Action Plan for 2023 itself. <p>The authorities also provided:</p> <ul style="list-style-type: none"> iv) Regulation of 13 September 2022 on the organisation and functioning of the Inter-Ministerial Committee on Climate Change, hereinafter referred to as “the Regulation”; v) Link to the draft Government Decision published for public consultation prior to its adoption; vi) Draft and approved list of priorities for 2023 and a draft Action Plan for 2023; vii) Convocations of a total of six meetings of the Inter-Institutional Climate Committee. | | |
| Analysis: | | |

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

Operationalisation of an Inter-Institutional Climate Committee

The Inter-Ministerial Committee on Climate Change was established by Article 1(1) of Government Decision No. 563 of 28 April 2022, published in the Official Journal No. 415 on 29 April 2022, which entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. The Committee is inter-institutional as per Article 1(4) it comprises “representatives of public institutions in Romania which develop and implement policies with an impact on climate change”. The Romanian authorities report that its first meetings took place on 8 June 2022 and 30 June 2022, as evidenced by the submitted notices of convocations. During these meetings, the Committee adopted the Regulation on the organisation and functioning of the Inter-Ministerial Committee on Climate Change. The convocation of meetings and the adoption of the rules of procedure together evidence the operationalisation of the Inter-Ministerial Committee on Climate Change.

The Climate Change Committee shall focus, according to its proposed mandate, on

- i) establishing annual priority policies in the field of climate change in line with the objectives of the European Green Deal and the timetable assumed by Romania through the National Integrated Plan in Energy and Climate Change (PNIESC)**

Article 3(b) of the Government Decision states that the Committee will “analyse, monitor and propose annual priority climate policies in line with national commitments to the European Union”. The Regulation, in Section I, paragraph 2(b), confirms that the Committee will “identify and approve, at the level of the Committee, the set of annual priorities”, thus establishing such policies.

The Regulation in Section I, paragraph 2(c), further specifies that the Committee has been established to foster Romania’s “contribution to meeting the European energy and climate targets set out in the European Green Deal”. Section I, paragraph 2(d) of the Regulation also confirms measures will be “in line with the provisions of the European Green Deal” and Section IV, paragraph V.3, point j) also references the European Green Deal.

The national commitments referred to in Article 3(b) of the Government Decision are further described in Article 3(c), to include a requirement for the Committee to “review, monitor and assess the fulfilment of the measures of the authorities and institutions responsible for implementing the policies set out in the Integrated National Energy and Climate Change Plan”, allowing for alignment with the PNIESC timetable.

- ii) coordination, monitoring and evaluation of the authorities’ responsible for the implementation of policies and measures in PNIESC activities**

Article 3(c) of the Government Decision establishes that the Committee reviews, monitors and evaluates the authorities in charge with the implementation of policies and measures set out in the PNIESC. The Regulation specifies in Section I, paragraph 2(c) that the Committee will also coordinate these authorities throughout the implementation process.

- iii) approval of the indicators for measuring Romania’s climate commitments.**

Article 3(a) of the Government Decision states that the Committee will “analyse and propose indicators to measure Romania’s climate commitments”. The Regulation further specifies in Section IV, paragraph V.3, point j) that the Committee identifies and approves such indicators.

The priorities for the Committee shall be set and decided in its meetings, and these may be of legislative, financial or fiscal nature, related to development of public policies for green investments, or setting the methodological or administrative framework.

The Regulation states in Section I, paragraph 2(g) and Section IV, paragraph V.3, point (j) that the

Committee identifies and approves the annual priorities for climate policies. These are set out as duties that Committee members shall carry out, with decisions taken at working meetings of the committee (Section II, paragraph 4) The Regulation specifies that these “priorities may be of a legislative, financial or fiscal nature closely linked to the development and promotion of public policies for green investments or the establishment of the methodological or administrative framework”.

The priorities shall be formally approved annually by the Government and an Action Plan shall be adopted on the steps to achieve each proposed priority, clear deadlines for delivery for each step and the responsible institutions.

Article 3(2) of the Government Decision states that annual priority climate policies proposed by the Committee “will be subject to annual approval by the Government”. The Regulation states in Section IV, paragraph V.3, point j) that the Committee will identify and approve “the annual set of priorities and the action plan on the milestones for the achievement of each priority, which will include the timelines for each stage and responsible institutions”.

The Operational Arrangements require that **the Inter-Institutional Climate Committee supports the General Secretariat of the Government with the implementation.** The Government Decision states in Article 2(2) that the members of the Committee are the Prime Minister of Romania, the head of the Prime Minister’s Chancellery, the head of the Climate and Sustainability Department of the Presidential Administration, 14 other ministries represented at Ministerial or State Secretary level, and agencies responsible for meteorology, statistics, and strategy. Since the chair of the Inter-Institutional Climate Committee is the Prime Minister of Romania (or, in his or her absence, the Head of the Prime Minister’s Chancellery), the Committee directly supports the Prime Minister, who in turn appoints the Secretary-General of the Government. Therefore, the membership in the Committee of the Prime Minister, who is hierarchically superior to the General Secretariat of the Government, ensures that the Committee will support the General Secretariat of the Government with the implementation.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 421 | Related Measure: Ensuring the independence of the judiciary, enhancing its quality and efficiency | |
| Name of the Milestone: Entry into force of the government decision approving the strategy for the development of the judiciary 2022-2025 | | |
| Qualitative Indicator: Provision in the government decision indicating the adoption of the strategy for the development of the judiciary | | Time: Q1 2022 |
| Context: | | |
| <p>Milestone #421 is part of reform C14.R5, which aims to strengthen the independence of magistrates, making the functioning of judicial institutions more efficient, in accordance with the relevant case law of the Court of Justice of the European Union and taking into account recommendations made in reports under the Cooperation and Verification Mechanism (hereinafter referred to as “CVM reports”), reports by the Council of Europe’s Group of States against Corruption (hereinafter referred to as “GRECO”) and the opinions of the Council of Europe’s European Commission for Democracy through Law (hereinafter referred to as “Venice Commission”) and the Rule of Law Reports.</p> <p>Milestone #421 provides for the adoption and entry into force of the government decision approving the strategy for the development of the judiciary (hereinafter referred to as “the Strategy”), comprised of two pillars: (i) policies to strengthen the independence of the judiciary and the rule of law; and (ii) policies to strengthen institutional capacity concerning resources, processes and management, and policies on the quality and efficiency of services in the judiciary.</p> <p>Milestone #421 is the first step of the implementation of reform C14.R5 and has been followed by</p> | | |

milestone #422 on the entry into force of the law amending the powers of the National Agency for the Management of Seized Assets (see relevant preliminary assessment fiche). It will be further followed by milestone #423 on the entry into force of the laws on the statute of magistrates, judicial organisation, Superior Council of Magistracy (hereinafter referred to as “Justice laws”), milestone #424 on amending the Criminal Code and Criminal Procedure Code, and target #425 requiring the training of at least 6 000 civil servants in the justice sector. Reform C14.R5 has a final expected date for implementation in Q4 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note with explanatory report demonstrating how the actions foreseen in the Strategy contribute to achieving the objectives of the reform;
- ii) Government Decision No. 436 of 1 April 2022, published in the Official Journal No. 322 of 1 April 2022, approving the Strategy for the development of the judiciary 2022-2025;
- iii) Annex to the Government Decision No. 436 of 1 April 2022, published in the Official Journal No. 322 bis of 1 April 2022, containing the Strategy for the development of the judiciary 2022 – 2025 and the Action Plan.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

The Ministry of Justice shall prepare the new strategy on the basis of internal analysis and proposals received during the public consultation process, after which the strategy shall be approved and enter into force.

According to the details in the cover note, the Strategy and associated action plan were prepared on the basis of an internal analysis of the judiciary system, as well as on the proposals made by key institutions in the judicial system, such as the Superior Council of Magistracy, the High Court of Cassation and Justice and the General Prosecutor’s Office. Based on the information provided by the Romanian authorities in the cover note, the Strategy’s elaboration process began in May 2021, with the elaboration of the methodology for drafting the Strategy and setting up the technical working group within the Ministry of Justice. According to the explanations in the cover note, before drafting the strategy, an analysis of the judicial system functioning was conducted between July and December 2021, collecting data from the judiciary and its central institutions. According to the information provided by the Romanian authorities in the cover note, 82 courts participated and responded to a questionnaire regarding access to justice, court digitalisation and instruments used in improving the courts’ functioning. These replies underlined shortcomings and possible actions to be included in the Strategy.

Following a public consultation and the inter-institutional endorsing in March 2022, the Strategy and the associated action plan were approved in the Government meeting held on 30 March 2022 and published in Official Journal No. 322 and No. 322 bis on 1 April 2022, consequently entering into force.

As requested by the CID Annex milestone description, the Strategy and its action plan take into account the findings and the recommendations from Rule of Law reports.

The strategy shall comprise two pillars.

The Strategy was elaborated on three main areas of intervention with strategic objectives sub-structured in two pillars.

The three main areas of intervention, outlined on page 10 of the Annex to the Government Decision

No. 436 of 1 April 2022, are:

- (i) the independence, the quality and the efficiency of the justice system,
- (ii) access to justice, and
- (iii) fighting corruption and criminality.

Each area of intervention comprises 10 strategic objectives (pages 10-21 of the Strategy), further divided into 81 specific objectives. Within each area of intervention, the specific objectives were structured in two pillars: pillar 1 – with policies to strengthen the independence of the judiciary and the rule of law and pillar 2 – with policies to strengthen the institutional capacity.

The first pillar concerns policies to strengthen the independence of the judiciary and strengthen the rule of law.

Policies and measures under pillar 1 aim at strengthening the independence of the justice system and the rule of law more in general. Some of the specific objectives mentioned under pillar 1 are:

- (i) aligning the Justice laws with the recommendations of the CVM, GRECO, and Venice Commission reports (pages 10 and 31 of the Strategy);
- (ii) aligning the Criminal Code and Criminal Procedure Code with the constitutional provisions, as detailed in the decisions of the Constitutional Court, taking into account the recommendations of the CVM report (specific objective C.1.1, pages 20 and 84 of the Strategy);
- (iii) strengthening the judicial police at the level of the prosecution offices and structures of the Minister of Home Affairs, in which the judicial police are organised; carrying out an institutional and legal analysis compared to the situation in other EU Member States (specific objective C1.3 pages 20 and 84-85 of the Strategy);
- (iv) extending the National Anticorruption Directorate (DNA) competence to cover crimes comparable to corruption as well as serious environmental crimes (specific objective C1.4 pages 20 and 85 of the Strategy); and
- (v) modifying the appointment procedure, seniority requirements for DNA prosecutors (specific objective C1.5 pages 20 and 85 of the Strategy).

The results of the policies concerning strengthening the rule of law shall be objectively assessed through dedicated achievement indicators, which shall be developed in the framework of the strategy

Each strategic objective also includes a list of three performance indicators: achievement, expected results, and estimated impact (pages 11-21 and 31-91 of the Strategy). For example, the Government expects that the implementation of the Strategy will result in an increase of the perceived independence of justice to 55-60% by 2025, according to the performance indicator on impact, set out in the action plan (page 31 of the Strategy).

The measures and indicators shall be prepared considering the findings of the Rule of Law Report.

As set out in the cover note, measures under pillar 1 are based on the recommendations in the CVM, GRECO, Venice Commission, Rule of Law Reports, and based on the recent case law of the Court of Justice of the European Union, the European Court of Human Rights, and the Constitutional Court of Romania (CCR).

For example, this is the case of the Rule of Law recommendation related to the Justice laws, suggesting that their revision should reinforce safeguards for judicial independence, including to reform the disciplinary regime for magistrates, and take measures to address remaining concerns about the investigation and prosecution of criminal offences in the judiciary. This recommendation is reflected in specific objective A 1.1 in the Strategy (*Bringing the Justice laws in line with the recommendations of the CVM, GRECO, Venice Commission reports, by revising the legislative*

framework within the RRP milestone timeframe).

The second pillar shall include policies to strengthen institutional capacity concerning resources, processes and management, and shall include policies on the quality and efficiency of services in the judiciary, such as:

a) efficient use of human resources (e.g. workload)

Policies to strengthen the institutional capacity concerning resources can be found under several strategic objectives, such as: (i) A.3 Improving the human resources policy for the judiciary (pages 13 and 44-48 of the Strategy); (ii) A.5 Strengthening the institutional capacity of the Superior Council of Magistracy and its subordinated institutions (pages 15 and 50-53 of the Strategy); and (iii) strategic objective A.8 Strengthening the institutional capacity of the Ministry of Justice and its subordinated institutions (pages 17-18 and 56-72 of the Strategy).

Relevant measures listed under these strategic objectives are: (i) continuous training of judges, prosecutors, court auditors and staff; (ii) adapting the curricula for training programmes for magistrates, with an emphasis on the importance in their practical preparation; (iii) filling vacant positions of judges and prosecutors in the judiciary; and (iv) creating additional posts for auxiliary staff, such as court clerks and IT specialists, and public prosecutor's offices.

b) the policy of optimisation of the court infrastructure, including physical infrastructure

The policy of the optimisation of the court infrastructure is tackled in strategic objective A.4 *Improving the functioning of the courts by conducting a thorough analysis to assess courts' performances, by defining and implementing a unitary methodology for the evaluation of stakeholder, and by elaborating an integrated complaints system* (pages 14 and 48-50 of the Strategy). Moreover, this policy of optimisation of court infrastructure is also described in strategic objective B.1 *Improving citizens' access to justice and to legal aid by increasing access to the public judiciary service* (pages 18-20 and 73-83 of the Strategy).

c) digital transformation – through the following measures:

(i) digital interaction of the litigant and any interested entity with the judiciary,

Measures of this kind include technological upgrade of the IT infrastructure of the judicial system or transition to an electronic case management system adapted to the needs of the judiciary, including with e-Evidence Digital Exchange System (eEDES), eCODEX and can be found under specific objectives 2.5 and 2.8 (pages 11-12 and 35–44 of the Strategy), under strategic objective A.2 *Improving the quality and the efficiency of the justice system through digital transformation*;

(ii) electronic signature and electronic seal

Measures of this kind include the analysis and update of the legal framework in force with a view to generalising the use of electronic files, signatures and electronic seals by judges, prosecutors, clerks, court officers and major partners (lawyers, notaries, bailiffs). These can be found under specific objective 2.1 General use of the electronic file, signature and electronic seal within the judicial system (pages 12 and 34 of the Strategy), under strategic objective A.2 *Improving the quality and the efficiency of the justice system through digital transformation*

(iii) availability of improved data communication for e-file (which is an option for litigants to electronically access the judicial files)

(iv) elaboration of a cross judicial sector strategy for the digitisation of the physical archive

Measures of this kind include the purchase of IT platforms, hardware and software, as well as services for the establishment/use of the electronic file in compliance with cybersecurity standards in the strategy (e.g., The Romanian Police Inspectorate, the Organized Crime Directorate, the National Anticorruption Directorate etc.). These can be found under the objective 2.6 *The transition to an electronic case management system adapted to the needs*

of the judiciary (pages 12 and 41-42 of the Strategy), under strategic objective A.2 Improving the quality and the efficiency of the justice system through digital transformation

Measures of this kind include a pilot project aiming to elaborate and plan the cross-sector strategy for the digitalization of the physical archive. These can be found under specific objective 1.10 Elaboration of a strategy for the digitisation of the physical archive, at the level of the entire judicial sector, (pages 19 and 81 of the Strategy), under strategic objective B.1 Extending citizens' access to justice as well as legal aid.

The progress in implementing the strategy shall be monitored and assessed using a set of indicators developed based on objective resources such as the EU Justice Scoreboard, EC Rule of Law Report.

The implementation of the Strategy shall be monitored and assessed as described in Section VI of the Strategy (pages 26-27) and is based on the cooperation between all institutions responsible for carrying out actions and achieving foreseen indicators.

The objectives and actions included in the action plan are associated with a set of performance indicators interconnecting achievement (such as *Adoption in Parliament of Draft Law on Judicial Organisation, Draft Law on the Status of Magistrates, Draft Law on the Superior Council of Magistracy*), result (for instance, *normative framework in line with the recommendations of the CVM, GRECO, Venice Commission reports*) and expected impact (such as *increase of perception of justice independence*) (page 31 of the Strategy). The performance indicators were developed based on objective resources, such as recommendations in the EU Justice Scoreboard and EC Rule of Law Report (pages 35 – 81 of the Strategy). The link between each performance indicator and the objective resource is presented in the action plan (pages 31 – 91 of the Strategy).

According to the further specifications in the Operational Arrangements, the strategy (which shall include priorities, steps to achieve them and a timeline for implementation) shall be uploaded on Ministry of Justice's website during the consultation phase, together with the Government Decision approving the strategy and associated action plan. The central judiciary institutions (the Superior Council of Magistracy, the High Court of Cassation and Justice the General Prosecutors Office attached to the High Court of Cassation and Justice) will support the Ministry of Justice throughout the implementation.

Commission Preliminary Assessment: Satisfactory fulfilled

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| Number: 422 | Related Measure: Ensuring the independence of the judiciary, enhancing its quality and efficiency | |
| Name of the Milestone: Entry into force of the law amending the powers of the National Agency for the Management of Seized Assets | | |
| Qualitative Indicator: Provision in the law indicating entry into force of the law for amending the powers of the National Agency for the Management of Seized Assets | | Time: Q2 2022 |
| Context: The objective of reform C14.R5 is to strengthen the independence of magistrates, making the functioning of judicial institutions more efficient, in accordance with the relevant case law of the Court of Justice of the European Union and taking into account recommendations made in the Cooperation and Verification Mechanism reports (<i>hereinafter referred to as "CVM reports"</i>), the reports by the Council of Europe's Group of States against Corruption (<i>hereinafter referred to as "GRECO"</i>) and the opinions of the Commission for Democracy through Law (<i>hereinafter referred to</i> | | |

as “Venice Commission”) and the Rule of Law Reports.

Milestone 422 provides for the transposition of the Directive (EU) 2019/1153 as well as for the introduction of several changes related to the extension of the institutional mandate of the National Agency for the Management of Seized Assets (*hereinafter referred to as “ANABI”*), addressing issues such as administration and valorisation of seized property and collaboration with other relevant bodies in the process of recovering damages.

Milestone 422 is the second milestone of reform C14.R5, and it follows the completion of milestone 421 related to the entry into force of the law approving the strategy for the development of the judiciary 2022-2025. It will be followed by milestone 424 related to amendment of the Criminal Code and Criminal Procedure Code, milestone 426 related to the entry into force of the legislative act approving the new National Anti-Corruption Strategy, and target 427 related to the increase in the value of seized assets managed by the National Agency for the Management of Seized Assets. The reform has a final expected date for implementation in Q4 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of Government Ordinance No. 9/2021 of 30 August 2021 on “laying down rules facilitating the use of financial information and financial analysis for the prevention, detection, investigation or prosecution of certain criminal offences”, transposing Directive (EU) 2019/1153, published in Official Journal No. 831 of 31 August 2021 <https://monitoruloficial.ro/Monitorul-Oficial--PI--831--2021.html>;
- iii) Law No. 169/2022, ratifying Government Ordinance No. 9/2021 of 30 August 2021, published in Official Journal, Part I No. 548 of 6 June 2022 <https://monitoruloficial.ro/Monitorul-Oficial--PI--548--2022.html>;
- iv) Law No. 230/2022 extending ANABI’s institutional mandate amending both Law No. 318/2015 on the establishment, organization and functioning of ANABI, and Law No. 135/2010 on the Criminal Procedure Code, published in Official Journal No. 734 of 21 July 2022 <https://monitoruloficial.ro/Monitorul-Oficial--PI--734--2022.html>.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

The legislative act shall transpose the Directive (EU) 2019/1153.

The Romanian Government adopted Government Ordinance No. 9/2021 laying down rules facilitating the use of financial information and financial analysis for the prevention, detection, investigation or prosecution of certain criminal offences of 30 August 2021 (hereinafter referred to as Government Ordinance No. 9/2021) that transposes the Directive (EU) 2019/1153 of the European Parliament and of the Council, laying down rules facilitating the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences. The Government Ordinance was then promulgated by Law No. 169/2022 and published in Official Journal No. 548 of 6 June 2022.

In line with the Directive, Article 3(3) of Government Ordinance No. 9/2021 provides that ANABI, under the Ministry of Justice, is the competent authority to access and consult the centralised register of bank accounts. ANABI can use this information to prevent, detect and investigate specific criminal offences and to support specific criminal investigations, including the identification, tracing

and freezing of assets.

The assessment of the compliance with the Directive for the purposes of payments from the Recovery and Resilience Facility does not prejudice the assessment by the Commission in any other proceedings regarding the conformity of the national law with the aforementioned legislation.

The legislative act shall introduce several changes related to the extension of the institutional mandate.

Law No 230 of 19 July 2022 amending Law No 318/2015 on the establishment, organisation and functioning of the National Agency for the Administration of Seized Assets and amending certain legislative acts and amending Law No 135/2010 on the Code of Criminal Procedure (hereinafter referred to as Law No. 230/2022). Law No. 230/2022 extends the institutional mandate of ANABI, adding additional powers related to the administration and valorisation of seized properties, and provides for additional collaboration frameworks with other relevant bodies in the process of recovering proceeds of crime through Article 1 (16), Article 27(8), Article 28, Article 197(3), and Article 252.

The legislative act shall address issues such as administration of seized property.

Law No. 230/2022 introduces the following additional powers for ANABI:

- (i) the legal mandate to manage seized stocks of merchandise with a cumulative value exceeding EUR 300 000 (Article 1 (16));
- (ii) upon ANABI's request, and with the approval of the public prosecutor or the court, amounts of money seized within the same judicial proceeding can be transferred to a unique bank account owned by ANABI itself (Article 27(8));
- (iii) for seized assets whose management requires particular care, ANABI must be provided free of charge with technical and logistical support from the authorities, public institutions and publicly owned entities, both at central and local level with adequate expertise (Article 28).

The legislative act shall address issues such as valorisation of seized property.

Law No. 230/2022 extends ANABI's powers with respect to the valorisation of the seized properties, including to:

- (i) request the transfer of perishable seized properties to public authorities or institutions governed by public law with adequate infrastructure to manage such goods (Article 197(3));
- (ii) request the sale of movable or immovable properties that could depreciate quickly already in the course of the criminal proceedings (Article 252(1));
- (iii) deposit seized precious metals and stones, or objects made with them, at the State Treasury and deposit foreign currencies at the nearest credit institution (Article 252(4));
- (iv) sell without the agreement of the owner the following seized movable assets (in addition to those already stipulated by the Law No. 135/2010 on the Criminal Procedural Code):
 - (I) flammable or petroleum products, wood mass and wood materials, pharmaceutical products and sanitary materials (Article 252(2)(c));
 - (II) merchandise with a value lower than EUR 300 000 (Article 252(2));
 - (III) means of transportation, when the owner does not deposit in the account established by the special law an amount equal to the value of the seized good, within 6 months of the date of seizure (Article 252).

The legislative act shall address issues such as collaboration with other relevant bodies in the process of recovering damages.

Law No. 230/2022 extends ANABI's capacity to coordinate with other relevant bodies in the process of recovering damages. In particular, ANABI is able to:

- (i) request, in accordance with the law, when necessary, the presence and assistance of a

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| <p>police officer, a gendarme or other law enforcement agents during the seizing of an asset (Article 18bis);</p> <p>(ii) share data and information in its possession with relevant authorities in Romania or other Member States of the European Union (ex officio or at the request of the National Fiscal Agency or other international authorities) to facilitate the tracing and identification of assets involved in a judicial proceeding (Article 22(2));</p> <p>(iii) request free technical and logistical support for managing seized assets whose management requires particular care from authorities, public institutions and publicly owned entities, both at central and local level with adequate expertise (Article 28(5)); and</p> <p>(iv) benefit from the National Mechanism to Support Crime Prevention, which the law establishes, to support the administrative capacity and that of other institutions empowered to identify, manage and value seized assets on behalf of ANABI.</p> |
| <p>Commission Preliminary Assessment: Satisfactorily fulfilled</p> |

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| Number: 430 | Related Measure: Stepping up the fight against corruption |
| Name of the Milestone: Entry into force of the law on whistleblowers' protection | |
| Qualitative Indicator: Provision in the law indicating entry into force of the law | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone #430 is part of Reform C14.R6 whose objective is to strengthen the fight against corruption. The measure comprises several elements such as developing a strategic framework, strengthening responsible institutions and amending related laws.</p> <p>Milestone #430 requires the entry into force of the law on whistleblowers' protection, transposing Directive (EU) 2019/1937.</p> <p>Milestone #430 is the second milestone of the measure, and it follows the completion of milestone #426 related to the entry into force of the legislative act approving new National Anti-Corruption Strategy. It is followed by target #429 (Occupation rate of 85% of National Anti-Corruption Directorate prosecutor positions attained) and the targets #427 (a 50% increase of the value of seized assets managed by the National Agency for the Management of Seized Assets) and #428 (Completion of at least 70% of the measures foreseen in the new anti-corruption strategy). The reform has a final expected date for implementation in Q4 2025.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note with explanatory note demonstrating how the Law for the protection of Whistle-blowers transposes the Directive (EU) 2019/1937; ii) Law No. 361/2022 on the protection of the whistle-blowers in the public interest, published in the Official Journal No. 1218 on 19 December 2022, hereinafter referred to as "the Law"; iii) Law No. 67/2023, published in the Official Journal No. 257 on 28 March 2023, on the modification of Art. 6(2) of Law No. 361/2022 on the protection of whistle-blowers in the public interest. <p>The authorities also provided:</p> | |

- iv) Comparative document between the provisions of Directive (EU) 2019/1937 and articles of Law No. 361/2022.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Entry into force of the law on the whistleblowers' protection.

The Law No. 361/2022 on the protection of whistleblowers in the public interest was published in the Official Journal No. 1218 on 19 December 2022 and entered into force on 19 December 2022, in accordance with Law 24/2000 on legislative technical rules for drafting of legislative acts.

Article 6(2) of Law No. 361/2022 was amended by Law No. 67/2023, that was published in the Romanian Official Journal No. 257 on 28 March 2023 and entered into force on 28 March 2023, in accordance with Law 24/2000 on legislative technical rules for drafting of legislative acts.

The law shall transpose Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law.

Law No. 361/2022, as amended through Law No. 67/2023, transposes Directive (EU) 2019/1937 in national legislation. The assessment of the compliance with the Directive for the purposes of payments from the Recovery and Resilience Facility does not prejudice the assessment by the Commission in any other proceedings regarding the conformity of the national law with the aforementioned legislation.

Transposition of the Directive's Article 1 - Purpose

Article 1 of the Directive is transposed into Article 1 of the Law which is establishing the regulatory framework of the Law's provisions.

Transposition of the Directive's Article 2 - Material scope

The provisions of the **Directive's Article 2** have been transposed by the Law's Articles 1 and 3 establishing the scope of protection, minimum standards, and reporting requirements.

Transposition of the Directive's Article 3 - Relationship with other Union acts and national provisions

The provisions of the **Directive's Article 3** have been transposed by the Law's Article 1(1) to 1(7), specifying rules and procedures and relationship to other national or Union legislation related to defence and national security, protection of classified information, legal and medical professional privilege, workers' rights, and others.

Transposition of the Directive's Article 4 - Personal scope

The provisions of the **Directive's Article 4** have been transposed by the Law's specific paragraphs in Article 2 and Article 20. Article 2 of the Law is transposing the structure and wording of Article 4 of the Directive and defines how it applies to reporting persons. Article 20 (1)(a) and 20(3)(b) and (c) of the Law correspond to requirements in Article 4 of the Directive regarding coverage of protections for whistle-blowers.

Transposition of the Directive's Article 5 - Definitions

The provisions of the **Directive's Article 5** have been transposed by the Law's paragraphs in Article 3, which provides the relevant definitions.

Transposition of the Directive's Article 6 - Conditions for protection of reporting persons

The provisions of the **Directive's Article 6** have been transposed by the Law's paragraphs in Articles 6, 11 and 20.

Article 6(1) of the Law establishes the information that must be included in the report based on the requirement in Article 6(1)(a) of the Directive. Additionally, Article 6(2) of the Law (as amended by Law No. 67/2023, adopted and published in the Romanian Official Journal on 28 March 2023) provides an exception to the requirement to include personal identifying information in the report, in line with the provision in Article 6(2) of the Directive in view of anonymous reports.

Article 11 (1)(a), 11(1)(b), 11(2), 11(4), and 11(5) of the Law cover the provisions of Article 6 of the Directive related to the handling of incomplete or anonymous reports.

Article 20(1) of the Law is transposing Article 6(1) of the Directive, setting out the conditions for the whistle-blower to qualify for protection.

Transposition of the Directive's Article 7 - Reporting through internal reporting channels

The provisions of the **Directive's Article 7** have been transposed by Articles 5(1) to 5(3), Article 10(1) and 10(2), and Article 15, paragraphs (b) and (c), setting out the principles for handling reports through internal channels.

Transposition of the Directive's Article 8 - Obligation to establish internal reporting channels

The provisions of the **Directive's Article 8** have been transposed by Article 9(1), Article 9(3) to 9(6) and Article 10(1) and 10(2), which set out the obligation and the characteristics and safeguards of internal reporting channels.

Transposition of the Directive's Article 9 - Procedures for internal reporting and follow-up

The provisions of the **Directive's Article 9** have been transposed by the Law's specific paragraphs in Articles 2, 5 and 10. In particular, Articles 2(1)(c) and (d) of the Law correspond to Article 9(1)(c) and (d) of the Directive with regards to follow-up actions. Article 5(1), (2), and (4) correspond to reporting channels in Article 9 of the Directive. Article 10(1)(a) to (h) and 10 (2) transpose further provisions of Article 9 of the Directive on the relationship with the whistle-blower in particular with regards to providing them with information on how their report is being handled.

Transposition of the Directive's Article 10 - Reporting through external reporting channels

The provisions of the **Directive's Article 10** have been transposed by the Law's Article 5 (1) to (4) which allow for whistle-blowers to report also via external channels.

Transposition of the Directive's Article 11 - Obligation to establish external reporting channels and to follow up on reports

The provisions of the **Directive's Article 11** have been transposed by the Law's specific paragraphs in Articles 3, 12, 13, 14, and 17 with regards to the definition, requirements, and processes for handling and resolving reports received through external reporting channels. In particular, the definitions are transposed by Articles 3(5), 3(13), 3(14) and Articles 12(1) to (5) of the Law. Articles 13(2) and Articles 14 (a) to (c), (e) and (f) transpose obligations in Article 11(a), (c), (e), (f) and 11(2)

of the Directive. Article 17(1) corresponds to Article 11(2)(b) of the Directive.

Transposition of the Directive's Article 12 - Design of external reporting channels

The provisions of the **Directive's Article 12** have been transposed by the Law's specific paragraphs in the Articles (2)(f), 5 (2) to (4) ,7 (1) to (4), 14 (b) to (d), (f), and (g), 17, and 13 (1)(b) and establish the requirements for the operation and tasks of the national competent authority.

Transposition of the Directive's Article 13 - Information regarding the receipt of reports and their follow-up

The provisions of the **Directive's Article 13** have been transposed by the Law's Article 15 (1)(a) to (i) in respect to the provision of information on the acknowledgement of receipt and further action on reports.

Transposition of the Directive's Article 14 - Review of the procedures by competent authorities

The provisions of the **Directive's Article 14** have been transposed by the Law's Article 18, stipulating that competent authorities regularly review and update their procedures for receiving and following up on reports, taking into account their experience and that of other competent authorities.

Transposition of the Directive's Article 15 - Public disclosures

The provisions of the **Directive's Article 15** have been transposed by the Law's Article 19 (1) and (2), which provide precisions on when a person is covered under these provisions, clarifying that is not the case when a person directly discloses information to the press.

Transposition of the Directive's Article 16 - Duty of confidentiality

The provisions of the **Directive's Article 16** have been transposed by the Law's Article 8 (1) to (4), setting out a duty of protecting the identity of the whistle-blower.

Transposition of the Directive's Article 17 - Processing of personal data

The provisions of the **Directive's Article 17** have been transposed by the Law's Article 31 with regards to the handling of personal data.

Transposition of the Directive's Article 18 - Record keeping of the reports

The provisions of the **Directive's Article 18** have been transposed by the Law's Article 7 on the keeping of records.

Transposition of the Directive's Article 19 - Prohibition of retaliation

The provisions of the **Directive's Article 19** have been transposed by the Law's Article 22, which prohibits any form of retaliation.

Transposition of the Directive's Article 20 - Measures of support

The provisions of the **Directive's Article 20** have been transposed by the Law's Articles 22 (2) and 24 which set out the possibility for legal aid and information on other measures, rights, procedures, and remedies.

Transposition of the Directive's Article 21 - Measures for protection against retaliation

The provisions of the **Directive's Article 21** have been transposed by the Law's Articles 21 (1) and (2) and 23, which provide for exoneration of liability for whistle-blowers where appropriate and

establish measures to protect them against retaliation.

Transposition of the Directive's Article 22 - Measures for the protection of persons concerned

The provisions of the **Directive's Article 22** have been transposed by the Law's Article 25 with respect to measures on protection of identity of subjects of reports and to third parties and their right of defence.

Transposition of the Directive's Article 23 - Sanctions

The provisions of the **Directive's Article 23** have been transposed by the Law's Articles 23 (1) to (7), 28 (1) to (2), and 30 (1) to (3), which establish sanctions for hindering reporting, retaliation, or breaches of confidentiality, as well as penalties for the knowing reporting of false information.

Transposition of the Directive's Article 24 - No waiver of rights and remedies

The provisions of the **Directive's Article 24** have been transposed by the Law's Article 27, which ensures the rights and remedies in the Law cannot be waived or limited by any agreement.

Transposition of the Directive's Article 25 - More favourable treatment and non-regression clause

This provision allows Member States to grant more favourable standards and prohibits the reduction of protection already offered in the implementation of the directive. These provisions do not require transposition in Romanian legislation.

Transposition of the Directive's Article 26 - Transposition and transitional period

The provisions of the **Directive's Article 26** have been transposed by the Law's Article 36 which establishes the entry into law, the transitional period allowed under the directive, as well as obligations on providing information and reporting.

The law shall include additional provisions, specific to the national context, in order to efficiently address integrity policy issues.

The additional provisions specific to the national context included in the Law refer to the appointment of the National Integrity Agency as competent authority to receive, give feedback and follow-up on the reports received from the whistle-blowers.

- i. Article 3(15)(b) of the Law establishing that the authority competent to receive reports of breaches of the law is the National Integrity Agency – thus ensuring efficiency by appointing a certain authority in charge with receiving the whistleblowers' reports.
- ii. Articles 12-17 of the Chapter IV of the Law regulating the Reporting through external reporting channels through which the competencies, responsibilities and obligations of the Agency in handling the whistleblowers reports are established – thus ensuring an efficient mechanism for processing the whistleblowers' reports.
- iii. Article 34 of the Law on the establishment of the specialised structure within the Agency having the task to solve the whistleblowers reports – thus making sure that the necessary human resources will be appointed in order to efficiently process the whistleblowers' reports.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 433

Related Measure: Reforming the national procurement system

Name of the Milestone: Entry into force of the amendment of national legislation on remedies (Law

No. 101/2016)

Qualitative Indicator: Provision in the law indicating entry into force of the law on remedies

Time: Q1 2022

Context:

The aim of this reform is to support good governance by reforming the national public procurement system. This is to be achieved by legal changes, trainings, centralisation of certain procurement activities, and further digitalisation of the procurement process.

Milestone 433 requires an amendment to the national legislation on remedies with respect to public procurement to allow a faster implementation of projects.

Milestone 433 is the first step of the implementation of the reform, and it will be followed by milestone 434 related to the adoption of a Public Procurement Strategy, target 435 related to operational centralised procurement bodies for local authorities, and target 436 related to specialised trainings to be provided. It is also followed by milestones 437 and 438 related to interconnecting and operationalising a public procurement electronic system. The reform has a final expected date for implementation in Q4 2025.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note duly justifying how the milestone was satisfactorily fulfilled;
- ii) Government Ordinance No. 3 on the legislative amendment to the national legislation on remedies (Law No. 101/2016), published in the Official Journal No. 821 on 27 August 2021, hereinafter referred to as “the Government Ordinance”;
- iii) Law No. 291 on the approval of Government Ordinance No. 3 from 25 August 2021, published in the Official Journal No. 1067 on 3 November 2022, hereinafter referred to as “the Law”.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

The legislative amendment to the national legislation on remedies (Law No. 101/2016) shall introduce the obligation for the contract to be signed with the winning bidder immediately after the adoption of the National Council for Dispute Resolution (CNSC) decision, prior to a court resolution in case of a complaint against a Council’s Decision.

Government Ordinance No. 3 on the legislative amendment to the national legislation on remedies (Law No. 101/2016) (hereinafter referred to as “The Government Ordinance”) was published in the Official Journal on 27 August 2021 and entered into force three days after the date of its publication. It was ratified by Parliament and codified into Law No. 291 on the approval of Government Ordinance No. 3 from 25 August 2021, published in the Official Journal No. 1067 on 3 November 2022.

Article 4(1) of the Government Ordinance amends the Law No. 101/2016 on remedies and review

procedures concerning the award of public procurement contracts. In particular, it requires the contracting authority to conclude the contract with the successful tenderer once the National Council for the Resolution of Complaints has decided to maintain the outcome of the award procedure, even if the complainant has challenged in court the decision and the case has not been definitively settled, while respecting the statutory standstill period laid down in Article 59(1) (the minimum period between award of contract and signature of contract to allow for an appeal). This new provision amends the provision in Law No. 101/2016 (Article 9(4)), which envisaged only such option without establishing an obligation for the contract to be signed.

Article 4(3) of the Governance Ordinance further complements Article 4(1), by providing that the contracting authority is bound to sign the contract with the successful tender after a decision of the court of first instance, even if an appeal was formulated following the first instance decision. Moreover, this article provides that the judgment of the first instance court is enforceable, and it is not possible to order the suspension of its enforcement.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 456 | Related Measure: Construction, equipping and operationalisation of 110 crèches | |
| Name of the Milestone: Signature of contracts with public operators (municipalities) for the construction, equipment and operationalisation of 110 crèches | | |
| Qualitative Indicator: Signature of contracts | | Time: Q2 2022 |
| Context: | | |
| <p>The objective of this investment is to increase access and participation in standard early-childhood education and care services through the additional capacity of 110 new crèches.</p> <p>Milestone 456 requires the signature of contracts, with territorial distribution, for the construction, equipment and operationalisation of 110 energy-efficient crèches at national level.</p> <p>Milestone 456 is the first step of the implementation of the investment and will be followed by target 457, related to finalisation and operationalisation of 110 crèches.</p> <p>The investment has a final expected date for implementation in Q4 2025.</p> | | |
| Evidence Provided: | | |
| <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Copy of the publication of the call, showing that the competition is open to applications and the eligibility criteria based on the specifications in the milestone description are fulfilled. Published on the website of the Ministry and through Ministerial Order of the Ministry of Development, Public Works and Administration No. 1254/2022 of 24 June 2022 and its corresponding Annex, published respectively in the Official Journal, Part I, No 623 on 24 June 2022, and in the Official Journal, Part I, No 623Bis on 24 June 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts; iii) Copy of the list of selected crèches (Operations 1 and 2). | | |

On the basis of a sample, the following documentary evidence for each of the units selected:

- iv) Copy of the signed contracts between the Ministry of Development, Public Works and Administration, the National Investment Company and public operators (municipalities) during August-September 2022;
- v) Copy of the “Extract T456”, issued by the Ministry of Education on 19 January 2022, containing the extract of the relevant parts of the grant specifications of the project proving alignment with the description of the milestone and of the description of the investment in the CID annex.

The authorities also provided:

- vi) Copy of the Government Emergency Ordinance No. 173/2022 of 8 December 2022 on the role of the National Investment Company, published in the Official Journal Part I, 1192 on 12 December 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- vii) Copy of the Ministerial Order No. 749/2021 of 2 July 2021 approving the technical regulation ‘Rules on the design, construction and operation of construction for crèches’, published in the Official Journal Part I, 582 on 09 June 2021, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- viii) Copy of the Government Decision No. 566/2022 of 28 April 2022 (published in the Official Journal Part I, 437 on 04 May 2022) for the organisation and functioning of nurseries and other early childhood education establishment, published in the Official Journal Part I, 437 on 04 May 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
Copy of the list of the signed contracts.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Signature of contracts, with territorial distribution, for nursery, pre-school, early childhood education and care services.

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of milestone 456 and has undertaken the assessment on a revised basis. This description of this milestone requires the signature of contracts with territorial distribution for nursery, pre-school, early childhood education and care services. However, the description of investment 1 and the name of the milestone 456 in the Council Implementing Decision correctly reflect the RRP submitted by Romania, by referring to the signature of contracts with public operators for the construction, equipment and operationalisation of 110 crèches, . This latter description is the one that the Commission considers relevant for the assessment of fulfilment of milestone 456. Against this background, the justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone. Romania provided a list of the selected crèches (point iii in the Evidence provided) and of the signed contracts (point ix in the Evidence provided), which confirmed the signature of contracts with public operators for the construction, equipment and operationalisation of 110 crèches as well as the territorial distribution.

The selected projects are in line with Ministerial Order No. 1254/2022, which approves the

“Specific Guide for the conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the call for projects PNRR/2022/C15/01, PNRR/2022/C15/02 (Component 15 – Education, Investment 1)”, published in the Official Journal, Part I, No. 623 on 24 June 2022 (page 10). The Annex to Ministerial Order No. 1254/2022, published in the Official Journal, Part I, No. 623Bis on 24 June 2022 (pages 3 to 55) (*hereinafter referred to as “the Annex”*) specifies further details of the call such as type of call, eligibility criteria and eligible amounts and application period. On page 7, the Annex describes the overall objective of the funding scheme to increase the capacity for 0-3 year-olds in early childhood education services.

The grant scheme shall be based on the following criteria:

- i. the existence of a local strategy for the development of these services;**
- ii. the number of children up to 3 years-old relative to the coverage capacity of existing services within a max. 2/3km radius;**
- iii. the number of pending requests from parents for these services (at least 50);**
- iv. a needs analysis, taking into account the specific needs of marginalised communities;**
- v. newly-constructed buildings shall comply with the objective of achieving a primary energy demand (PED) at least 20% lower than the nearly zero-energy building (NZEB) requirement according to national guidelines, which shall be ensured through energy performance certificates.**

Point B of the Annex (page 13) contains six eligibility criteria which must be fulfilled by projects to pass the first phase of the evaluation. The first five criteria are same as specified in the description of milestone 456. In addition, the Annex has a criterion that the applicant must provide the necessary land situated in the built-up area.

Following the selection of a random sample of 60 selected projects, Romania submitted copies of 60 signed contracts, one for each selected project. In addition, the Romanian authorities provided an Excel file, which specifies for each signed contract contained in the sample the relevant extracts to show alignment with the five eligibility criteria as defined in the description of the milestone. Furthermore, the Excel file details for each sampled contract where the description of the above conditions can be found.

The evidence provided for the sample of 60 contracts confirmed that the contracts are signed for the financing of the construction of small, medium or large crèches with territorial distribution. Each contract specifies the terms and conditions for the grant and contains a description of the three main parties to the contract: the Ministry of Development, Public Works and Administration, the National Investment Company as the implementing body, and the public operator (municipality). In relation to the National Investment Company, in charge of the implementation of this milestone, the Preliminary clarifications section includes a reference to Government Order No. 25/2001 on the establishment of the National Investment Company, describing the nature of this body².

The “Extract T456” (point v in the Evidence provided) containing the relevant parts of the grant specifications of the project proving alignment with the description of the milestone and of the description of the investment in the CID annex, confirms for each signed contract in the sample that the grant specifications of the project are aligned with the requirements in the description of the milestone and the investment in the Council Implementing Decision (that is, containing the

² Further complemented, in the context of milestone 456, with Government Emergency Ordinance No. 173/2022 (published in the Official Journal Part I, 1192 of 12 December 2022) on the role of the National Investment Company.

relevant parts of the grant specifications of the project proving alignment with the description of the milestone and of the description of the investment in the CID annex the existence of a local strategy for the development of these services, the number of children up to 3 years-old relative to the coverage capacity of existing services within a max. 2/3km radius, the number of pending requests from parents for these services (at least 50), a needs analysis, and newly-constructed buildings to comply with the objective of achieving a primary energy demand (PED) at least 20% lower than the nearly zero-energy building (NZEB) requirement according to national guidelines, which shall be ensured through energy performance certificates.).

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 465 | Related Measure: Supporting educational establishments with high risk of drop-outs | | |
| Name of the Target: Educational establishments awarded with the grant scheme (Lot 1) | | | |
| Quantitative Indicator: Number | Baseline: 0 | Target: 750 | Time: Q1 2022 |
| Context: | | | |
| <p>The objective of this investment is to reduce early school leaving using the Early Warning Mechanism in Education methodology and IT tool by granting funds to schools i) to support students for the transition from lower to upper secondary education and ii) for the digitalisation of 2,500 schools included in the drop-out programme.</p> <p>Target 465 requires that 750 educational establishments shall receive grants for the support of students for the transition from lower to upper secondary education. Priority shall be given to schools with high risk of drop out, based on the five indicators defined by the Early Warning Mechanism in Education (MATE). Schools shall also become responsible for following and registering students' progress using the MATE IT tool.</p> <p>Target 465 is the first target of the investment, and it follows the completion of milestone 464 related to launching the project call. It will be followed by target 466 related to lot 2 of the grants awarded to schools, target 467 related to awarding grants for the digitalisation of schools included in the drop out programme and target 468 related to reaching a 25% reduction of the number of schools with high risk of dropouts. The investment has a final expected date for implementation in Q2 2026.</p> | | | |
| Evidence Provided: | | | |
| <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Copy of the list of all chosen projects with project description elaborated by the Ministry of Education, dated 14 December 2022; iii) Copy of the list of the contracts signed with all beneficiaries elaborated by the Ministry of Education, dated 14 December 2022. <p>On the basis of a sample, selected by the Commission, the following documentary evidence was provided for each of the units selected:</p> <ul style="list-style-type: none"> iv) Copy of the signed grant contracts between the County School Inspectorates and the selected schools; v) Copy of an extract of the relevant parts of the technical specifications of the projects proving alignment with the description of the target and the eligible activities mentioned in | | | |

the Annex to the Council Implementing Decision.

The authorities also provided:

- vi) Copy of the Ministerial Order No. 3496 of 30 March 2022 “for the approval of the list of educational establishments which receive grants under lot 1”;
- vii) Copy of the Ministerial Order No. 3580 of 15 April 2022 “amending the Ministerial Order No. 3496 of 30 March 2022 for the approval of the list of educational establishments which receive grants under lot 1”;
- viii) Copy of the Ministerial Order No. 3319 of 1 March 2022 “approving the Applicants’ guidelines”;
- ix) Copy of the Ministerial Order No. 3326 of 3 March 2022 “amending Annex 1 of the Ministerial Order No. 3319/2022 approving the Applicants’ guidelines”;
- x) Copy of the applicants’ guidelines;
- xi) Copy of the Ministerial Order No. 4338 of 27 July 2022 “for delegating tasks to school inspectorates for the implementation of investments included in the Recovery and resilience plan under the responsibility of the Ministry of Education”;
- xii) 42 Implementing agreements signed between the Ministry of Education and the County Schools Inspectorates for implementing this investment;
- xiii) Note No. 797/DGIPRE of 03 October 2022 “concerning the six educational establishments which have given up the funding for their approved projects, and the modification of the legal status of the educational establishments with approved projects for funding under the grant scheme National programme to reduce early school leaving (PNRAS) - Round I”;
- xiv) Copy of the Ministerial Order No. 6457 of 22 December 2022 “for the approval of the methodology for the management of the MATE tool in the Romanian Integrated Education Information System (SIIR) for the pre-educational system’s activities”, published in the Official Journal No. 30 on 11 January 2023;
- xv) Regulations No. 500/SSD of 15 December 2022 for publishing Ministerial Orders in the Official Journal, elaborated by the Ministry of Education;
- xvi) Copy of the Ministerial Order No. 6000 of 30 December 2021 “for the approval of the Early Warning Mechanism in Education (MATE) and of the implementing methodology for the MATE IT tool to prevent early school leaving”, published in the Official Journal No. 1252 on 30 December 2021;
- xvii) Copy of the list of 3235 eligible schools under the National programme to reduce early school leaving;
- xviii) Copy of the list of 1726 eligible schools under lot 1 published on 22 February 2022;
- xix) Copy of the 60 projects proposals included in the sample.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the target.

750 educational establishments shall receive grants 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. All indicators are calculated on the basis of a weight that analyses the quantity i.e. the number of students and teachers, or the quality i.e. the marks obtained in the national assessment. Based on the vulnerability index on Early School Leaving, MATE schools were classified into three categories, depending on the priority of the intervention: high, medium and low. High-priority educational units, which need immediate intervention, are considered to be those that receive a total score between 3,5 and 5 and that have several elements of vulnerability, such as a high number of substitute teachers, a rate high dropout rate, low participation rate and poor national assessment results. These schools shall be prioritised for

funding.

The Romanian authorities approved a list of 3235 schools, which were included in the National programme to reduce early school leaving. The list was published on the Ministry of Education's website in December 2021. From this list, 1726 schools were considered eligible to receive grants under lot 1 of this investment as schools with medium and high risk of dropouts.

Following the publication of the Applicants' guidelines, which was part of milestone 464 already assessed under the positively assessed first payment request, eligible schools were invited to submit their project proposals. After finalizing the evaluation of the projects submitted, a list of 1319 selected schools and projects was approved by the Ministerial Order No. 3496 of 30 March 2022 "for the approval of the list of schools receiving grants – lot 1 – under the National programme to reduce early school leaving grant scheme, financed from the Romanian recovery and resilience plan". After the standard appeal procedure that allows beneficiaries to challenge the results of the selection procedure, the list of selected schools was extended to 1415 schools, as approved by the Ministerial Order No. 3580 of 15 April 2022 "for amending and complementing the Ministerial Order No. 3496/2022 for the approval of the list of schools receiving grants – lot 1 – under the National programme to reduce early school leaving grant scheme, financed from the Romanian recovery and resilience plan". Based on the clarifications provided by the Note No. 797/DGIPRE of 03 October 2022 "related to: - educational establishments which have abandoned funding for approved projects, and change in the legal status of schools applying for funding approved under the Grants Scheme National Programme for Reduction School drop-out (PNRAS) – lot 1", six of the selected schools did not sign any financing contract due to changes in their legal status, hence the final list of grants awarded includes 1409 schools under lot 1, ranking them based on their scoring on the five indicators defined in the Early Warning Mechanism in Education and their high or medium priority of intervention.

The five indicators and their calculation methodology were defined in the Early Warning Mechanism in Education (MATE), approved by the Ministerial Order No. 6000 of 30 December 2021, published in the Official Journal No. 1252 on 30 December 2021 and their detailing was included in the assessment of milestone 464 of the first approved payment request for Romania.

Based on the scoring obtained by using the MATE methodology, schools are considered to be of high risk, if they scored between 3.5 and 5, and of medium risk, if they scored between 2.5 and 3.5. 835 high-priority educational units, which needed immediate intervention, were considered to be those schools that received a total score between 3,5 and 5 and thus, were prioritised for funding under the first lot of grants awarded. After exhausting the list of high-priority schools receiving grants, the list was completed with educational establishments with medium priority of intervention. This is evidenced in the list of 1409 contracts signed with all beneficiaries, which includes the respective scoring for each of the five indicators defined in the Early Warning Mechanism in Education and their high or medium priority of intervention.

The five indicators and the list of eligible schools are also mentioned in the Applicants' guidelines (page 7 - 8). The Applicants' guideline was approved by the Ministerial Order No. 3319 of 1 March 2022 and amended by Ministerial Order No. 3326 of 3 March 2022.

Furthermore, in line with the description of the measure, the investment shall be carried out with the following steps: allocation of 3-year grants in 2 lots throughout 2022 and 2023 to a minimum of 2 500 schools. The allocation shall be based on a short-listing of institutions at risk of drop-out developed by the Ministry of Education and shall be completed by 30 June 2023.

The calendar including the two calls for applications is mentioned on page 11 of the Applicants' guidelines. Following the call for applications launched on 2 March 2022, a list of 1409 schools receiving grants under lot 1 was approved, as provided by the Romanian authorities. For lot 2, the call for applications has been launched in March 2023. The minimum of 2500 schools is the goal

required under target #467, which is not part of this payment request. Therefore, the achievement of the target shall be assessed under the 5th payment request. The Applicants' guidelines also mention under section 3.5 "Projects timeline" that the grants are awarded for a period of 3 years providing that all eligibility conditions are complied with by the applicants.

Eligible activities shall include:

- **pedagogical and support activities,**
- **extra-curricular activities,**
- **minor works and purchases of goods,**
- **grants for pupils in vulnerable groups to ensure the transition from lower secondary to upper secondary education, to complete compulsory education,**
- **partnerships with NGOs for support and/or extra-curricular activities.**

The Applicants' Guidelines include all five activities in section 4.2 "eligible activities" under category 1 – subcategory 1.3 "Intervention activities", category 2 "Compensation activities" and category 3 "Digitalization of the educational process". Partnerships with NGOs are mentioned under section 4.1 "beneficiary's eligibility" on page 13 of the guidelines. In addition, these activities are further specified under section 4.4 of the guidelines referring to "eligible activities".

The evidence provided for a sample of 60 units confirmed that the requirements of the target have been met. These requirements requested for the selected schools to receive grants to support their students for the transition from lower to upper secondary education, on the basis of 5 indicators defined in the Early Warning Mechanism in Education. Schools with higher risk of drop out were prioritized. Their proposed projects had to include activities from the list of five eligible activities, as detailed in the assessment. Schools are also responsible for monitoring students at risk of drop-out and their progress, by transferring that information into the MATE data collection system. For each of the 60 randomly selected projects, Romania provided copies of the signed contracts between the selected schools and the respective County School Inspectorates, concluded in September – October 2022 aiming to finance activities for the support of students for the transition from lower to upper secondary educations. It also provided the relevant parts of the technical specifications of the project and their alignment with the five eligible activities, as defined in the description of the target.

The sample also confirmed that each selected school and its project was on the list of selected schools under lot 1 of the grant scheme. Each contract specifies the terms and conditions for awarding the grant and contains as one of its annexes the project proposal specifying the eligible activities requested by the description of the target. The two parties of each signed contract are the grant beneficiary and the respective County School Inspectorate.

Schools shall become responsible for student outcomes and for regular updates on the progress achieved, by transferring that information into the MATE data collection system.

Based on the provisions of Article 3 of the Ministerial Order No. 6000 of 30 December 2021 "for the approval of the Early Warning Mechanism in Education (MATE) and of the implementing methodology for the MATE IT tool to prevent early school leaving", published in the Official Journal No. 1252 on 30 December 2021, all schools with secondary education classrooms must use the MATE IT tool to collect data for the identification of early school leaving risks. In addition, the ministerial order provides in its annexes two instruments: i) a screening of the education process at the class level through the School Success Assessment Tool (SASAT) questionnaire, and ii) the MATE Observation Sheets, which provides for the first screening of the students at risk of dropout. The results are registered in the IT tool according to the procedures in place. Article 2 and Article 5 of the Annex to the Ministerial Order No. 6457 of 22 December 2022 "for the approval of the methodology for the management of the MATE tool in the Romanian Integrated Education Information System (SIIR) for the pre-educational system's activities", published in the Official

Journal No. 30 on 11 January 2023, state that schools are responsible for collecting, updating and managing the information on students' results and progress into the MATE data collection system.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 477 | Related Measure: Adoption of the legislative framework for the digitalisation of education | |
| Name of the Milestone: 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 | | |
| Qualitative Indicator: Provision in the MO indicating the entry into force of the legislative framework for equipment standards | | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone 477 is part of the Reform 5 which aims to ensure the necessary legal framework for development of digital competences for pupils by defining the competency profile for education professionals, revising the compulsory school curriculum and the framework plan for ICT disciplines for all school levels.</p> <p>Milestone 477 concerns the entry into force of the legislative act defining the minimum standards of technical equipment for schools to ensure the quality of educational activities carried out in the virtual environment and by means of virtual technology.</p> <p>Milestone #477 is the first step of the implementation of the reform and it will be followed by milestone 478 related to the 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 and milestone 479 related to the entry into force of the law setting out the National Digital Skills Reference Framework for pre-university education. The reform has a final expected date for implementation in Q2 2024.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii. Copy of the Ministerial Order No. 3497 of 30 March 2022 (“for the approval of the standards for equipping the pre-university education units with technological equipment”, published in the Official Journal No. 336 of 06 April 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts; iii. Copy of Ministerial Order No. 6416 of 15 December 2022 “for amending Ministerial Order No. 3497/2022 of 30 March for the approval of the standards for equipping the pre-university education units with technological equipment”, published in the Official Journal No. 26 of 10 January 2023, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts; iv. Copy of Ministerial Order No. 3677 of 14 February 2023 “for amending Ministerial Order No. 3497/2022 for the approval of the standards for equipping the pre-university education units with technological equipment”, published in the Official Journal No. 139 of 17 February 2023, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. | | |

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone, in particular:

The new Ministerial Order shall define the minimum standards of technical equipment for schools to ensure the quality of educational activities carried out in the virtual environment and by means of virtual technology

Ministerial Order No. 3497 of 30 March 2022 “for the approval of standards for equipping the pre-university education units with technological equipment” (hereinafter referred to as “the Ministerial Order No. 3497/2022”) entered into force on 06 April 2022 with its publication in the Official Journal No. 336, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. The annexes to this ministerial order were amended by Ministerial Order No. 6416 of 15 December 2022, published in the Official Journal No. 26 of 10 January 2023 and by Ministerial Order No. 3677 of 14 February 2023, published in the Official Journal No. 139 of 17 February 2023 to include the observations received during the consultation process for the applicant’s guidelines for investment 9 and investment 13 and of the Technical and Economic Committee respectively. Both investments require equipping schools with digital infrastructure which must comply with the standards approved by the Ministerial Order No. 3497/2022.

Article 1 (1) of the Ministerial Order No. 3497/2022 approves the technical equipment standards for the endowment of **computer laboratories and of classrooms in pre-university education establishments** to ensure the quality of digital or virtual educational activities.

Article 1 (2) approves the list of technical equipment and its minimum technical specifications as further detailed in Annex 1 to the Ministerial Order No. 3497/2022, namely providing the **minimum standards for equipping informatics laboratories and classrooms, but also to ensure a standardized assessment in education.**

Article 2 of the Ministerial Order No. 3497/2022 order approves the technical characteristics and standards for equipping **educational smart labs** as detailed in Annex 2 to ensure the quality of digital or virtual educational activities.

These minimum standards include a set of minimum technical specifications and characteristics for the different type of digital equipment included in this ministerial order, for example: acceptable versions of software application, minimum display diagonal, touchscreen and minimum functions, image resolution, printing capacity, cybersecurity requirements, data protection, special electronic devices for people with disabilities, training sessions by the providers for the users of the digital equipment.

Article 3 of the Ministerial Order No. 3497/2022 provides the **general characteristics of the pre-installed devices and software used by students and teachers** in their digital or virtual educational activities, as further specified in Annex 3. Annex 3, as amended by Ministerial Order No. 3677 of 14 February 2023 “for amending Ministerial Order No. 3497/2022 for the approval of the standards for equipping the pre-university education units with technological equipment” (hereinafter referred to as “the Ministerial Order No. 3677/2023”), also provides minimum requirements related to: **i) security of data and devices, ii) portability of mobile equipment, iii) safety measures, iv) adapted devices to people with disabilities, v) operating systems and software versions requirements.**

Based on the provisions of article 8 in section I and section II of Annex 1, of article 12 in Annex 2 and of article 4 in section C of Annex 3 to the Ministerial Order No. 3677/2023 and of the explanations provided in the summary document, the list of equipment approved in the annexes **allows schools to purchase any other IT equipment required** to cover the needs identified at their level for

teaching purposes and to ensure the optimal conduct of the educational process, including in online environment. In addition, the provisions of Note 2 of Annex 1 section I, section II and section III and of Note 8 to Annex 2 specify that the technical specifications referred to in the annexes to this ministerial order represent **minimum technical requirements**.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 478 | Related Measure: Adoption of the legislative framework for the digitalisation of education | |
| Name of the Milestone: 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 | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the legislative act setting the profile of the future teacher in terms of digital competences and assessment of digital competences | | Time: Q2 2022 |
| <p>Context:</p> <p>Milestone 478 is part of the Reform 5 which aims to ensure the necessary legal framework for development of digital competences for pupils by defining the competency profile for education professionals, revising the compulsory school curriculum and the framework plan for ICT disciplines for all school levels.</p> <p>Milestone 478 requires the 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. The new law aims to (i) set out the digital skills profile of education professionals and the mechanism to validate teachers' digital competence; (ii) integrate into the Education Plan, training programmes to develop the digital skills of future teachers and for the use of modern teaching methods; (iii) establish the framework for school inspection; (iv) establish students' assessment methodologies in the online environment, including for the development of a platform for the assessment of pupils' competences.</p> <p>Milestone 478 is the second milestone of the reform and it follows the completion of milestone 477, related to entry into force of the legislative act defining the minimum standards of technical equipment for schools to ensure the quality of educational activities carried out in the virtual environment and by means of virtual technology It will be followed by milestone 479 related to entry into force of the law setting out the National Digital Skills Reference Framework for pre-university education.</p> <p>The reform has a final expected date for implementation in Q2 2024.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Copy of Ministerial Order No. 4150/2022 of 29 June 2022 for the digital skills profile of the education profession and its corresponding Annex, published respectively in the Official Journal No. 700 on 13 July 2022, and in the Official Journal No. 700 Bis on 13 July 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts; iii) Ministerial Order No. 4151/2022 of 29 June 2022 for the modification and completion of the Methodology regarding the continued training of the personnel from the pre-university education, published in the Official Journal No. 738 on 22 July 2022, and entered into force | | |

on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;

- iv) Ministerial Order No. 4139/2022 of 29 June 2022 for the approval of the Framework Methodology for organising the educational training programme in order to certify the competences for the teaching profession by the specialised departments within the accredited higher education institutions, published in the Official Journal No. 701 on 13 July 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- v) Ministerial Order No. 4136/2022 of 28 June 2022 for the amendment of the Regulation for the inspection of pre-university education units, published in the Official Journal No. 678 on 07 July 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- vi) Ministerial Order No. 3750/2023 of 28 February 2023 on the Framework methodologies for online assessment of school performance and pupils' competences and its corresponding Annex, published respectively in the Official Journal No. 195 on 8 March 2023, and in the Official Journal No. 195 on 8 March 2023, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

The authorities also provided:

- vii) Ministerial Order No. 4223/2022 of 6 July 2022 on the organisation and performance of teaching and methodical support activities, as well as mentoring teaching in schools that are components of the foundations teaching practice in the 2022/2023 school year, published in the Official Journal No. 725 on 19 July 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- viii) Ministerial Order No. 4224/2022 of 6 July 2022 for the approval of the Framework Methodology for Quality Assurance of Programmes for the continuous professional development of teachers in pre-university education and accumulation of professional transferable credits, published in the Official Journal No. 722 on 19 July 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- ix) Ministerial Order No. 3835/2022 of 13 May 2022 on the organisation of the Piloting of the standardised assessment at the end of the school year 2021-2022, published in the Official Journal No. 48 on 13 May 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- x) Ministerial Order No. 3894/2022 of 3 June 2022 on the Piloting of the digitised evaluation of the writers of the national assessment for 8th grade graduates held in Dâmbovița county and of the national baccalaureate exam – 2022 held in Călărași county, published in the Official Journal No. 552 on 06 June 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- xi) Ministry of Education Procedure 29137 of 06 June 2022 on the organisation and Piloting of the digitised evaluation of writers in the national baccalaureate examination – 2022;
- xii) Ministry of Education Procedure 29084 of 06 June 2022 on the organisation and Piloting of the digitised assessment of writers in the National Assessment for 8th degrees graduates;
- xiii) Ministerial Order No. 5242/2022 of 31 August 2022 on the organisation and conduct of the national examination – 2023, published in the Official Journal No. 873 on 05 September 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;

- xiv) Ministerial Order No. 5241/2022 of 31 August 2022 on the organisation and conduct of the national assessment for eighth grade graduates in the school year 2022-2023, published in the Official Journal No. 877 on 06 September 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- xv) Address 5575 of 06 December 2022 on the lesson evaluation sheet.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

The new legislation setting out the profile of the future teacher on digital competence and how to assess digital competence in school examinations shall:

Set out the digital skills profile of the professional in education, as well as the mechanism for validating teachers' digital competence in school exams, in accordance with the European Framework of Educators' Digital Competence.

While the Council Implementing Decision states that the new legislation should be adopted in the form of a legislative act, in the further specifications of the Operational Arrangements, it is stated that the reference to a law shall be taken as reference to the legislative framework, meaning secondary legislation that would not have to be submitted to Parliament, as all similar framework is approved by ministerial order. Against this backdrop, the Romanian authorities have adopted two ministerial orders:

Article 1 of Ministerial Order No. 4150/2022 for the digital skills profile of the education profession (hereinafter referred to as "The Ministerial Order No. 4150/2022"), which entered into force at the time of its publication in the Official Journal No. 700 on 13 July 2022, approves and defines the digital skills profile of the education professional, which is further detailed in its Annex, published in the Official Journal 700 Bis of 13 July 2022, aligning the profile with the European Framework of Educators' Digital Competence. In Article 2, the Ministerial Order No. 4150/2022 specifies that the digital skills profile of the professionals in education will be contained in the teacher's competence profiles and any other document on teacher career training, starting with the school year 2022-2023.

Chapter 1 of the Annex to the Ministerial Order No. 4150/2022 sets out the general provisions for teachers at all levels of education, including general and vocational education and training, education for people with special needs and education in non-formal learning contexts. It defines six teaching-competence levels and the need for continuous professional development, while establishing six key digital areas (professional engagement; digital resources; teaching and learning; assessment; empowering learners; facilitating the acquisition of digital skills by early childhood/school pupils/students/other learners) and 22 key digital competences (such as organisational communication, professional collaboration, reflective practices or continuous professional developments using digital technologies). These teaching-competence levels and key digital competences are fully in line with the European Framework of Educators' Digital Competence.

The Ministerial Order No. 4151/2022 for the modification and completion of the methodology regarding the continued training of the personnel from the pre-university education (hereinafter referred to as "The Ministerial Order No. 4151/2022"), which entered into force at the time of its publication in the Official Journal No. 738 on 22 July 2022, includes, in its Annex 1 (Page 7), an assessment sheet ('Evaluation Sheet for the teaching activity as part of the current/special

inspection for teaching grade II'), which school inspectors must use to evaluate teachers' performance. Among the areas that must be evaluated is also digital competence in school exams since the evaluation of a teacher must include how a teacher is using different assessment techniques and tools to monitor the learning process and obtain information about student progress. These techniques and tools refer to computer applications and digital technologies used by teachers to improve assessment strategies and develop assessment tools.

Integrate into the Framework Education Plan, Psycho-pedagogical and Master Training Programmes modules for developing the digital skills of future teachers and for familiarising and using modern teaching methods and techniques under the DigCompEdu Framework.

Ministerial Order No. 4139/2022 for the approval of the Framework Methodology for organising the educational training programme in order to certify the competences for the teaching profession by the specialised departments within the accredited higher education institutions (hereinafter referred to as "The Ministerial Order No. 4139/2022"), which entered into force at the time of its publication in the Official Journal No. 701 on 13 July 2022, approves the Framework Methodology for organising the psycho-pedagogical training programme to certify the competences for the teaching profession by the specialised departments within the accredited higher education institutions. Article 1 of the Ministerial Order No. 4139/2022 states that the organisation of the psycho-pedagogical training programme aims at developing and certifying the competences specific to the teaching profession. Article 7 (5) clarifies that the content of teaching trainings and practices includes learning modules to train, develop, deepen and/or to expand digital skills as part of the future teacher's competence profile (in which DigCompEdu is contained and further detailed below), so that these skills can subsequently be used in teaching. Chapter III and Annex I-Table 1 of the Ministerial Order No. 4139/2022 describe the curriculum of the psycho-pedagogical training programme. Chapter IV and Annex II-Tables 2a and 2b describe the curriculum for level I (initial, 30 credits) certification for the monospecialisation and dual specialisation of teachers respectively; Table 3 describes the curriculum for level II (deepening, 30 credits extension) certification for the bachelor's and master's degree. The curricula for the different programmes in tables 1, 2a, 2b and 3 include a subject 'Computer-assisted training'. Regarding training programmes modules for familiarising and using modern teaching methods and techniques under the DigCompEdu Framework, Article 2 of the Ministerial Order No. 4150/2022 stipulates that the digital skills profile of the education professional (DigCompEdu) is included in the competence profiles of teachers and in any other document regarding training in the teaching profession, starting with the school year 2022-2023. Furthermore Article 2 (2) of the Annex to the Ministerial Order No. 4150/2022 describes, in line with DigCompEdu, six fields of competence (professional engagement; digital resources; teaching and learning; assessment; empowering learners; facilitating the acquisition of digital skills by early childhood/school pupils/students/other learners) as well as 22 key competences (such as organisational communication, professional collaboration, reflective practices or continuous professional developments using digital technologies), which enable teachers to familiarise themselves in the use modern teaching methods and techniques.

Establish the framework for school inspection (monitoring and evaluation of virtual teaching activities).

Ministerial Order No. 4136/2022 for the amendment of the Regulation for the inspection of pre-university education units (hereinafter referred to as "The Ministerial Order No. 4136/2022"), which entered into force at the time of its publication in the Official Journal No. 678 on 07 July 2022), amends the Regulation for the inspection of pre-university education units approved by Ministerial Order 6106/2020. In particular, the Ministerial Order No. 4136/2022 ensures that the 'Lessons Observation Sheet' (Annex 5 of the Regulation) covers also the monitoring and evaluation of virtual

teaching activities. Specifically, it complements the section ‘Evaluation of the teacher work’ with additional parameters such as creativity in teaching design, selection of learning strategies, methods and means, including digital, or forms of organisation of students’ activities, including virtually or educational and teaching aids used, including how to integrate ICT.

Establish the assessment methodologies for the online environment, students’ school performance, including the development of a platform for the secure assessment of pupils’ competences.

Article 1 of Ministerial Order No. 3750/2023 on the Framework methodologies for online assessment of school performance and pupils’ competences (hereinafter referred to as “The Ministerial Order No. 3750/2023”), which entered into force at the time of its publication in the Official Journal No. 195 on 8 March 2023, approves the framework methodology for assessment, which is further detailed in its Annex. The framework methodology, described in the Annex, contains the general principles guiding the evaluation process (Chapters I, II, IV, V and VI of the Annex), the processing of personal data of the participants (Chapter II), and the tasks and responsibilities of the Ministry of Education, of the school inspectorates, of the schools, of teachers, students, and parents (Chapter III).

Chapter IV of the Annex to the Ministerial Order No. 3750/2023 defines the methodologies for the organisation and conduct of the assessment in an online environment, specifying that the provision of the curricula should be respected and describing factors to be considered when designing and organising the assessment of pupils’ performance and skills, explicitly referring to digital literacy of students; training/development of information skills for students; familiarising teachers with aspects of digital pedagogy; developing teachers’ assessment competences; creating learning communities at student and teacher level.

Chapter VI of the Annex to the Ministerial Order No. 3750/2023 describes the online assessment platform and its elements. Article 27 therein states that the online assessment of school performance and pupil competences is carried out through a secure electronic platform, which must ensure that all teachers and pupils have access to the educational process in a uniform and equitable manner.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 485 | Related Measure: Updated regulatory framework to ensure environmentally friendly design, construction and endowment standards in the pre-university education system | |
| Name of the Milestone: Entry into force of amendments to the legislative framework to increase the quality of learning environments | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the new legislative framework to increase the quality of learning environments | | Time: Q2 2022 |
| <p>Context:</p> <p>The objectives of this reform are (a) to increase the quality and safety of learning environments through regulation covering teaching material, furniture, and equipment of laboratory equipment and technological workshops; and (b) to develop and adopt the legal framework for fostering the transition to green buildings in schools.</p> <p>Milestone #485 requires the amendment and subsequent entering into force of several rules, regulations and other legislative acts, which define relevant standards and requirements to ensure that the pre-university education system can transition to environmentally friendly buildings, while</p> | | |

establishing operational and organisational methodologies and an adapted curriculum.

Milestone #485 is the only milestone of this reform. It prepares the legal framework for investments 10, 11 and 12 in school related infrastructure.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of Ministerial Order No. 1203/2022 of 16 June 2022 approving the technical regulation 'Rules on the design, construction and operation of construction for schools and high schools, Normative 010-2022' and its corresponding Annex, published respectively in the Official Journal No. 604 on 21 June 2022, and in the Official Journal No. 604 Bis on 21 June 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- iii) Copy of Ministerial Order No. 4142/2022 of 29 June 2022 approving the minimum equipment standard for classes V to VIII, published in the Official Journal No. 705 on 14 July 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- iv) Copy of Ministerial Order No. 4144/2022 of 29 June 2022 approving the Minimum Endowment Standard for Primary Education, published in the Official Journal No. 696 on 12 July 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- v) Copy of Ministerial Order No. 4143/2022 of 29 June 2022 for the approval of Standards on Teaching and Learning Materials in early childhood education and the Minimum Endowment Standard for Early Childhood Education Services, published in the Official Journal No. 690 on 11 July 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- vi) Copy of Ministerial Order No. 4147/2022 of 29 June 2022 approving the Framework Methodology on the organisation and functioning of 'Green Schools', published in the Official Journal No. 705 on 14 July 2022, and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

In the context of the transition to green and smart buildings, there is a need to reform the regulatory framework on the design, endowment and operation of schools. The new law includes:

Rules on the design and operation of buildings for schools and secondary schools

Ministerial Order No. 1203/2022 approved the technical regulation 'Rules on the design, construction and operation of construction for schools and high schools, Normative 010-2022' (hereinafter referred to as "The Ministerial Order No. 1203/2022"), which entered into force at the time of its publication in the Official Journal No. 604 and 604 Bis on 21 June 2022. The legislation updates the 'Rules on the design and operation of buildings for schools and secondary schools,

Normative 010/1997'.

Article 1 of the Ministerial Order No. 1203/2022 states that the technical regulation is set out in the Annex to the Ministerial Order No. 1203/2022, published in the Official Journal No. 604 Bis on 21 June 2022, which forms an integral part of Ministerial Order No. 1203/2022 and contains:

- Section 1, sub-section 1.1, part (1), defines the scope of the technical regulation. It covers provisions for the design, execution and operation of the construction of primary, secondary and/or vocational schools. Section 1, sub-section 1.1, part (4) and part (5) establish the provisions of the technical regulation apply to the design, construction and operation of new buildings and the design and performance of work of existing buildings, respectively.
- Sections 2, 3, and 4 detail substantive requirements (mechanical strength and stability; fire safety; hygiene, health and environment; safety and accessibility in service; noise protection; energy saving and thermal insulation; sustainable use of natural resources), location (on a needs basis and in accordance with General Urbanism regulations) and quality requirements of construction.
- Annex A of the technical regulation contains the minimum and recommended requirements for different facilities such as classrooms, laboratories and workshops, sport facilities, recreational areas and facilities, food facilities, administrative areas, libraries and reading rooms.

Updating/drafting minimum endowments by updating the following legislative acts:

- **Minimum endowment for Classes V to VIII, approved by Ministerial Order No. 3486/2006**
Article 1 of Ministerial Order No. 4142/2022, which entered into force at the time of its publication in the Official Journal 705 on 14 July 2022, approved the minimum equipment standard for classes V to VIII and according to Article 2 of said order replaced Ministerial Order No. 3486/2006.
These standards are further set out in the annex to the Ministerial Order No. 4142/2022, which list the different types of minimum endowments, that is audio-visual material, graphic or digital material and kits, teaching games, educational software, furniture, for areas such as language and communication, mathematics and natural science, social sciences, and arts.
- **Minimum endowment rules for primary education Ministerial Order No. 3263/2006**
Article 1 of Ministerial Order No. 4144/2022, which entered into force at the time of its publication in the Official Journal 696 on 12 July 2022, approved the minimum endowment standard for primary education and according to Article 2 of said order replaced Ministerial Order No. 3263/2006.
These standards are further set out in the annex to the Ministerial Order No. 4144/2022, which list the different types of minimum endowments, that is audio-visual material, graphic or digital material and kits, teaching games, educational software, furniture, for areas such as language and communication, mathematics and natural science, social sciences, and arts.
- **Pre-school standards and regulations, Annex 1 Standards for teaching materials and Annex 2 on Minimum equipment standards, approved by Ministerial Order No. 3850/2010.**
Article 1 of Ministerial Order No. 4143/2022, which entered into force at the time of its publication in the Official Journal 690 on 11 July 2022, approved the standards on teaching and learning materials in early childhood education and the minimum endowment/equipment standards for early childhood education services and according to article 3 of said order replaced Ministerial Order No. 3850/2010. This Ministerial Order No. 4143/2022 covers in particular activities for children between 0-3 years, directed at developing motor skills, language and communication, cognitive and socio-emotional development, and also covers activities for children aged 3 to 6 years such as understanding language, cause-effect relationships and analysis, human interactions. For every activity there is a set of materials and equipment listed. It further defines the standards for the minimum endowment (furniture, equipment) for early childhood education for children between 0 and 6 years.

- **The regulatory framework for the implementation of investments in the transition to green buildings shall be complemented by regulations on the functioning of green schools and by methodologies for the operation and organization of green schools, including adapted curriculum, that shall establish teaching landmarks for fostering students' behaviour that respect the natural environment.**

Ministerial Order No. 4147/2022, which entered into force at the time of its publication in the Official Journal 705 on 14 July 2022, approved the Framework Methodology on the organisation and functioning of 'green schools' and including methodologies for their operation and organization, including adapted curricula and teaching landmarks to foster students' respectful behaviour towards the environment.

Article 1 in Chapter II of the Ministerial Order No. 4147/2022 establishes this methodology as the framework to be used for the operationalisation of the 'green schools' network and for the organisation and functioning of pre-university establishments wishing to obtain the status of a 'green school'. Article 2 defines the concept of a 'green school'. Chapter III describes the organisation and operation of 'green schools', covering management composition, curriculum, social strand, linking the role of 'green schools' to their communities, and the infrastructure component.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 494 | Related Measure: Reform of the governance of the pre-university education system and professionalisation of management | |
| Name of the Milestone: 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 | | |
| Qualitative Indicator: Signature of the contract | | Time: Q1 2022 |
| Context: | | |
| <p>Milestone #494 is part of C15.R7 whose objective is to improve the management of schools and to grant more autonomy, thus increasing their capacity to implement all education reforms of the Recovery and Resilience Plan.</p> <p>Milestone #494 consists of the signature of a technical assistance contract for: i) the development of an analysis of the current governance in the pre-university education system; ii) providing recommendations and a plan to improve the school management through a pilot programme, and iii) guidelines to design a training and coaching programme for managers and inspectors. It is the first step of the implementation of C15.R7 to be followed by milestone #495, the implementation of the Governance Reform Action Plan, which will include i) a training and coaching programme for managers and inspectors, and ii) a pilot programme involving 60 schools to be selected for the purpose. The reform has an expected date for completion in Q1 2023.</p> | | |
| Evidence provided: | | |
| <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Copy of the technical assistance contract for project number P178400, signed on 27 June 2022 between the Ministry of Education of Romania and the International Bank for Reconstruction and Development (<i>Reimbursable Advisory Services Agreement – Assistance for Education in Romania P178400</i>); iii) Copy of the amended technical assistance contract of 30 September 2022 (<i>Amendment No.</i> | | |

1 to the Reimbursable Advisory Services Agreement on Assistance for Education in Romania P178400) between the Ministry of Education of Romania and the International Bank for Reconstruction and Development, signed on 14 February 2023;

- iv) Description of the advisory services included in the technical assistance contract (Terms of reference) – version corresponding to the contract signed on 27 June 2022;
- v) Description of the advisory services included in the technical assistance contract (Terms of reference) – version corresponding to the amendment no. 1 to the contract, signed on 14 February 2023.

The authorities also provided:

- vi) Functional analysis to support the decentralization of governance and professionalization of management in pre-tertiary education - Outline of the report, elaborated by the International Bank for Reconstruction and Development and dated 13 December 2022;
- vii) Note on the correlation between the functional analysis in the technical assistance contract and some of the deliverables and the targets in the Romanian Recovery and Resilience Plan, elaborated by the Ministry of Education and dated 13 December 2022;
- viii) Working paper for the implementation of the technical assistance contract in the framework of component 15 in the Romanian Recovery and Resilience Plan, elaborated by the International Bank for Reconstruction and Development and dated 30 September 2022;
- ix) Working paper for the implementation of the technical assistance contract in the framework of component 15 in the Romanian Recovery and Resilience Plan, elaborated by the International Bank for Reconstruction and Development and dated 24 February 2023;
- x) Synthetic report No. 811/DGIPRE/ of 5 October 2022 on how the milestone has been achieved, elaborated by the Ministry of Education.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Signature of a technical assistance contract for the development of the Governance Reform Action Plan, including a training and coaching programme for managers and inspectors.

On 27 June 2022 the Ministry of Education of Romania and the International Bank for Reconstruction and Development signed the technical assistance contract for project number P178400, which was amended by amendment no. 1, signed on 14 February 2023. Both the contract and its amendment are complemented by their respective terms of reference, further specifying the description of the advisory services. This is confirmed by the respective copies of the contracts and of the terms of reference submitted as supporting evidence.

The provisions in the amendment no. 1 to the technical assistance contract, include the development of four action plans for improving the governance of the education system, which are part of the recommendations of the functional analysis delivered under component 3, activity 3.1, as further detailed in the corresponding section of the updated terms of reference dated February 2023 (page 11). In addition, the provisions included under activity 3.3 in component 3 from the amended contract specify that coaching and training programmes are envisaged to be delivered to selected staff in the Ministry of Education of Romania, including school managers and inspectors, as further detailed in the updated terms of reference, corresponding to the amendment no. 1 to the contract, signed on 14 February 2023.

The contract's technical specifications and the terms of reference cover all requirements specified in the Council Implementing Decision Annex:

The governance reform shall be based on the functional analysis of the vocational education and training system and shall be carried out on two levels: I Management reform and II. Decentralization

The amended technical assistance contract of 14 February 2023 specifies on page 6 in activity 3.1 of component 3 “*Assistance to strengthen education governance*” that a functional analysis of the pre-university education system will be conducted to propose revisions to its management framework allowing for more school autonomy. This has the objective to identify challenges and constraints for school units and inspectorates’ management, clarify the duties and responsibilities, reduce bureaucracy, avoid overlaps and identify gaps. The section therefore covers two levels: (i) management reform, and ii) decentralization. The provisions of activity 3.1 are further detailed in the updated terms of references on page 11.

The Ministry of Education shall contract external technical assistance for:

i) the analysis of the current governance of the pre-university education system;

Activity 3.1 (i) of the amended technical assistance contract (page 6), as detailed in the updated terms of reference (page 11) specifies that a functional analysis of the pre-university education system will be conducted. This analysis will cover the current governance of the education system and propose revisions to its management framework as required by the Council Implementing Decision Annex.

ii) the provision of Recommendations and a Plan for the improvement of the school management through a pilot programme;

Activity 3.1 paragraph 45 of the updated terms of reference (page 11) specifies that the technical assistance services will provide recommendations and a plan on how to improve the school management in line with the Council Implementing Decision’s Annex. In particular, four draft action plans are foreseen and should cover: (i) a plan to improve school management through a pilot program; (ii) a plan to increase the capacity of the management system; (iii) a plan to increase the autonomy of pre-university education units; and (iv) a plan for the governance reform in the field of human resources/ recruitment of educational managers.

iii) the provision of guidelines for the design of the training and coaching programme.

The amended technical assistance contract envisages under activity 3.3 (page 6) designing and delivering of a coaching and training program, consisting of up to fifty sessions or workshops to support the selected staff of the Ministry of Education, including school managers and inspectors. The training activities will focus on areas identified by the functional analysis of the education system governance, including training to improve management capacity (page 6). Activity 3.3 (pages 12) of the updated terms of reference further specifies that the technical assistance provider will design and deliver the coaching and training program based on the recommendations of the functional analysis of the education system governance and the European best practices. The framework will cover training, coaching, workshops, sharing of local and international knowledge (page 12). In addition, the provisions included in activity 3.2 of the updated terms of reference (page 10 - 11) mention that the technical assistance provider will deliver clear guidelines in relation to training and coaching for selected staff in education.

In order to increase the capacity of the pre-university education management system and to increase the autonomy of schools, a plan of measures shall be drawn up.

Activity 3.1 of the updated terms of reference specifies that the functional analysis of the education system will provide as part of its recommendations four action plans: (i) a plan to improve school management through a pilot program; (ii) a plan to increase the capacity of the management system; (iii) a plan to increase the autonomy of pre-university education units; and (iv) a plan for the governance reform in the field of human resources and recruitment of educational manager (page 11), thus covering these requirements in the Annex to the Council Implementing Decision.

Furthermore, in line with the description of the measure, the governance reform shall increase the capacity at school level to implement all reforms proposed for education. This requirement in the Annex to the Council Implementing Decision is complied with by the provisions of activity 3.1 for improving the governance of the pre-university education towards increased school autonomy and of activity 3.2 as detailed both in the amended technical assistance contract (page 6) and in the updated terms of reference (pages 11 - 12). According to the provisions mentioned under activity 3.2, the technical assistance provider will develop a monitoring and evaluation framework to support the Ministry of Education for the implementation of the reforms in education included in the Recovery and Resilience Plan at school, county and national levels.

Commission Preliminary Assessment: Satisfactorily fulfilled

[Loan component]

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| Number: 2 | Related Measure: Strengthening the regulatory framework for the sustainable management of the water and wastewater sector and accelerating public access to quality services under European directives | |
| Name of the Milestone: Entry into force of the law approving the national programme First Connection to Water and Sanitation | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the law for the First Connection to Water and Sanitation programme | | Time: Q1 2022 |
| Context: | | |
| <p>Milestone #2 is part of reform C1.R1 aiming to improve the capacity of regional water infrastructure operators, and the quality and efficiency of cooperation between them and local authorities, inter-community development associations, and water and channel infrastructure owners.</p> <p>Milestone #2 concerns the entry into force of the law approving the national programme First Connection to Water and Sanitation, which shall support families and single people on low incomes to pay the costs incurred for connection to the water supply and sewerage system.</p> <p>Milestone #2 is the second milestone of the reform, and it follows the completion of milestone #1 on the adoption of the amendment to Law No. 241/2006 on water supply and sewerage to strengthen the role of local administration. It will be followed by milestone #3 on the signature of the implementation agreements with the local authorities participating in the First Connection to Water and Sanitation Programme. The reform has a final expected date for implementation in Q4 2022.</p> | | |
| Evidence provided: | | |
| <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Copy of Government Decision No. 430/2022 on the approval of the 2022 revenue and expenditure budget of the Environment Fund and the Administration of the Environment Fund, published in the Official Journal No. 317 of 31 March 2022. <p>The authorities also provided:</p> <ul style="list-style-type: none"> iii) Copy of background note to Government Decision No. 430/2022 on the approval of the | | |

- 2022 revenue and expenditure budget of the Environment Fund and the Administration of the Environment Fund (gov.ro);
- iv) Copy of Government Emergency Ordinance No. 144/2021 amending and supplementing Law No. 241/2006, on water supply and sewerage service published in the Official Journal No. 1258 of 31 December 2021;
 - v) Copy of Law No. 215 of 27 July 2018 amending and supplementing Law No. 241/2006 on water supply and sewerage service and repealing paragraph 2 of Article III of Law No. 224/2015 on the modification and completion of the Law No. 241/2006 on water supply and sewerage service, published in the Official Journal No. 664 of 31 July 2018;
 - vi) An extract of Law 416/2001 of 18 July 2001 on guaranteed minimum income;
 - vii) Copy of the Applicant's Guidelines for the First Connection programme, approved by the Order of the Minister of Environment, Water and Forests No. 2605/4.10.2022.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

- **Entry into force of the law approving the national programme First Connection to Water and Sanitation**

Article I, point 3, letter n) of Government Emergency Ordinance No. 144/2021 amending and supplementing Law No. 241/2006 on water supply and sewerage service contains the legal provisions setting up the programme. The Government Emergency Ordinance was published in the Official Journal No. 1258 and entered into force on 31 December 2021.

- **The programme shall support families and single people on low incomes (who have average monthly net cash income below the gross national minimum wage guaranteed per family member) to pay the costs incurred for connection to the water supply and sewerage system. Low-income households will be identified by the local authorities.**

Article I, point 3, letter n) of Government Emergency Ordinance No. 144/2021 amending and supplementing Law No. 241/2006 on water supply and sewerage service establishes that the fund for connection to the water supply and sewerage system are dedicated to the families and single people on low incomes, defined as having an *“average monthly net cash income below the gross national minimum wage guaranteed per family member”*, for the payment of all or part of the expenses incurred for connection.

Based on the later definition and Article I, point 3, 12-2 of Law No. 215/2018 of 27 July 2018 amending and supplementing Law No. 241/2006 on water supply and sewerage service and repealing paragraph 2 of Article III of Law No. 224/2015 on the modification and completion of Law No. 241/2006 on water supply and sewerage service, the beneficiaries are identified by decision of the deliberative authority of the administrative-territorial unit.

- **The First Connection Programme shall then finance, through the Environmental Fund Administration, the connection works for the identified families contracted by the local authorities.**

Article 2, letter j) of Government Emergency Ordinance No. 144/2021 provides that the Environment Fund Administration is the agency in charge of financing the investment linked to the national programme First Connection to Water and Sanitation, subject to this reform.

The 2022 revenue and expenditure budget of the Environment Fund Administration, including the national programme First Connection to Water and Sanitation, was approved by Government Decision No. 430/2022 of 30 March 2022 and entered into force on the 31 of March 2022.

Its Annex 2a sets out a budget commitment to the First connection to Water and Sanitation programme.

The applicant's Guidelines for the First Connection and Sanitation programme was approved by the Order of the Minister of Environment, Water and Forests No. 2605/2022 of 4 October 2022. Article 1.4 of these guidelines states that the application to receive funding to cover the cost of the investment must be prepared by the local and regional operators. They are to conduct the works and receive a grant covering the incurred eligible costs listed in the guidelines. The local and regional operators must bear the extra costs, if any.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 30 | Related Measure: Reform of the management system for protected natural areas through coherent and effective implementation of the European Biodiversity Strategy Reform of the management system of protected natural areas for the coherent and effective implementation of the European Biodiversity Strategy | |
| Name of the Milestone: 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 | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the legislative act | | Time: Q2 2022 |
| <p>Context:</p> <p>Milestone #30 is part of reform C2.R2 whose objective is to operationalise the legal framework for designating nature protected areas, in particular through the establishment of a mechanism to link legislation specific to the various sectors with an impact on biodiversity, namely: education, agriculture, forestry, hunting, tourism, spatial organisation, transport and energy. To achieve this objective, the Romanian authorities are required to adopt two legislative acts: (i) one setting up the inter-institutional committee to analyse the legal framework applicable to sectors with an impact on biodiversity and to draw up and promote proposals to amend or supplement the legal framework in light of up-to-date information on the distribution and dynamics of the conservation status of species and habitats, and (ii) the other one modifying the legal framework applicable to sectors with an impact on biodiversity, thus with the aim of ensuring that the existing legal framework in the various relevant sectors does not affect or restrict the implementation of the conservation measures in the management plans of nature protected areas.</p> <p>Milestone #30 consists in the adoption of the legislative act to set up an inter-institutional committee to analyse the legal framework applicable to sectors with an impact on biodiversity and to prepare proposals to revise the legal framework in light of up-to-date information on the distribution and dynamics of the conservation status of species and habitats. This is the first step in the implementation of reform C2.R2 and it will be followed by milestone #31 related to the approval of a legislative act modifying the legal framework applicable to sectors with an impact on biodiversity, based on the recommendations of the committee set up under milestone #30. The reform has an expected date for completion in Q2 2025.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> | | |

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii) Copy of Government Decision No. 781 of 16 June 2022 (published in the Official Journal No. 595 of 20 June 2022) “setting up the inter-ministerial committee to analyse the legal framework applicable to sectors with an impact on biodiversity”.

The authorities also provided:

- iii) Copy of Ministerial Order No. 2100 of 4 August 2022 “appointing the members of the inter-ministerial committee for the review of the legal framework applicable to biodiversity impact sectors”.
- iv) Copy of Ministerial Order No. 2540 of 28 September 2022 (published in the Official Journal No. 954/2022 of 30 September 2022) “approving the rules of organisation and functioning of the inter-ministerial committee”.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone, in particular:

- (i) 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, namely education, agriculture, forestry, hunting, tourism, spatial organisation, transport and energy.**

As indicated in the further specifications of the Operational Arrangements between the European Commission and Romania, for the purposes of this milestone the entry into force of a Government Decision, which is a normative act, is considered as an equivalent qualitative indicator to the entry into force of a legislative act. The Government Decision No. 781 of 16 June 2022 entered into force on 20 June 2022 with its publication in the Official Journal No. 595, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. Article 1 of the Government Decision sets up the inter-ministerial committee. Articles 2 and 5 provide that the committee’s mandate is to analyse the legal framework applicable to sectors with an impact on biodiversity, and to develop and promote proposals to modify the legal framework, based on up-to-date information on the distribution of species and habitats and their conservation status.

Article 3(1) of Government Decision No. 781/2022 provides for the sectors covered by the committee’s activity, namely: education, agriculture, fisheries, aquaculture, forestry, hunting, tourism, spatial organization, transport, energy, national defence and environment. The Romanian authorities have introduced several other sectors that could have an impact on biodiversity and justified that the introduction of defence is based on the potential impact that this sector could have on biodiversity, but also considering that some military objectives are located within nature protected areas.

The Council Implementing Decision refers to the “setting up the inter-institutional committee”. In the cover note, Romania explained that during the approval process of the government decision, the Romanian Ministry of Justice had requested to replace the “inter-institutional committee” by an “inter-ministerial committee”. This is in line with the contextual or purpose interpretation as the provisions of Article 24(2) of Government Emergency Ordinance No. 57/2019 on the Administrative Code, which states that for the purposes of developing, integrating, correlating and monitoring public policies, the government may set up inter-ministerial councils, commissions and committees. This replacement does not prejudice the scope and the substantive content of the legislative act but sets it in line with the requirements of the national legislation of Romania. The proposal from the Ministry of Justice was accepted. On this basis, it is considered that this constitutive element of the

milestone is satisfactorily fulfilled.

- (ii) The Committee shall be steered by the Ministry of the Environment, Waters and Forests and it shall include the line ministries and the subordinated authorities responsible for the relevant sectors: education, agriculture, forestry, hunting, tourism, spatial organisation, transport and energy.**

Article 3(1) of Government Decision No. 781/2022 provides that the committee is steered by the Ministry of Environment, Waters and Forests. Based on the provisions of Article 4 of that government decision, the committee is steered by the minister or by a state secretary when the minister is unable to fulfil his duties.

Articles 1(1) and 3(1) of the Government Decision No. 781/2022 provide that the inter-ministerial committee is established as an advisory body to the Ministry of Environment, Waters and Forests, without legal personality and it comprises 13 members, one from each of the relevant ministries and subordinated authorities responsible for the relevant sectors, namely: education, agriculture, fisheries, aquaculture, forestry, hunting, tourism, spatial organization, transport, energy, national defence and environment.

Additionally, the Ministerial Order No. 2100 of 4 August 2022 appointed the 13 members of the inter-ministerial committee covering all the above sectors, while the Ministerial Order No. 2540/2022 of 28 September 2022, published in the Official Journal No. 954/2022 of 30 September 2022, approved the rules of organisation and functioning of the inter-ministerial committee.

- (iii) The committee shall prepare proposals to revise the legal framework in the light of up-to-date information on the distribution and dynamics of the conservation status of species and habitats.**

Articles 2 and 5 of Government Decision No. 781/2022 give mandate to the inter-ministerial committee to analyse the legal framework applicable to sectors with an impact on biodiversity, by developing and promoting proposals to modify the legal framework, based on updated information on the distribution of species and habitats and the dynamics of their conservation status.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 95 | Related Measure: Establishment of a Renovation Wave fund to finance works to improve the energy efficiency of the existing building stock | |
| Name of the Milestone: Establishing a national scheme for energy and efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of multifamily buildings | | |
| Qualitative Indicator: Publication of the ministerial order establishing the financing scheme | | Time: Q1 2022 |
| Context: Milestone #95 is part of Axis 1 of investment C5.I1, which aims to improve the energy renovation rate of residential buildings in Romania, in parallel with seismic renovation, while (i) taking into account the possible cultural protection requirements in the case of renovation of buildings belonging to cultural heritage and (ii) improving the accessibility of buildings by creating facilities and adapting buildings to the needs of persons with disabilities and of the ageing population. To this end, Axis 1 of investment C5.I1 consists in setting up a national financing scheme with three calls for proposals on residential multifamily buildings covering respectively: (i) integrated projects that | | |

improve both seismic consolidation and energy efficiency; (ii) moderate energy efficiency renovations in communities at risk of poverty and social exclusion; and the (iii) moderate (90%) and deep (10%) energy renovations.

The milestone concerns the establishment of a national support scheme to finance two types of renovation measures covering at least 4.3 million square meters of residential buildings, namely: (i) integrated projects that improve both seismic consolidation and energy efficiency and (ii) energy renovation projects. Out of the total allocation, at least 90% must be used for energy efficiency works and not more than 10% for seismic consolidation. The scheme must ensure that all contracts achieve a minimum reduction of energy consumption by at least 50% compared to the annual energy consumption for heating prior to the renovation (except for building with the status of a cultural good), delivering a minimum of 30% (moderate renovation) and of 60% (deep renovation) of primary energy demand savings compared to pre-renovation state.

Milestone #95 is the first step in the implementation of Axis 1 of investment C5.I1. It has been followed by milestone #97 concerning the calls for proposals (see relevant preliminary assessment fiche) and will be followed by milestone #99 concerning the signature of contracts and targets #101, #102 and #103 concerning the number of square meters of multi-family residential buildings renovated. In relation to public buildings, relevant milestones include #96, #98 and #100 and targets #104, #105 and #106. The investment has an expected date for completion in June 2026.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Ministerial Order No. 442/2022, published in the Official Journal No. 290 and 290 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts (hereinafter referred to as “Ministerial Order No. 442/2022”);
- iii) Annex to Ministerial Order No. 442/2022, published in the Official Journal No. 290 and 290 bis of 25 March 2022: specific guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan under the call for projects PNRR/2022/C5/1/A.1/1, Component 5 – Renovation Wave, Axis 1 – Energy efficiency grant scheme and Resilience in Multifamily Residential Buildings, Operation A.1 - Integrated Renovation (Seismic Consolidation and Moderate Energy Renovation) of Multifamily Residential Buildings (hereinafter referred to as “Guide A1”);
- iv) Ministerial Order No. 443/2022, published in the Official Journal No. 291 and 291 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts (hereinafter referred to as “Ministerial Order No. 443/2022”);
- v) Annex to Ministerial Order No. 443/2022, published in the Official Journal No. 291 and 291 bis of 25 March 2022: specific guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan under the call for projects PNRR/2022/C5/1/A.2/1, Component 5 – Renovation Wave, Axis 1 – Energy efficiency grant scheme and Resilience in Multifamily Residential Buildings, Operation A.2 - Moderate Energy Renovation of Multifamily Residential Buildings for Communities at Risk of Poverty and Social Exclusion (hereinafter referred to as “Guide A2”);
- vi) Ministerial Order No. 444/2022, published in the Official Journal No. 292 and 292 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts (hereinafter

- referred to as “Ministerial Order No. 444/2022”);
- vii) Annex to Ministerial Order No. 444/2022, published in the Official Journal No. 291 and 291 bis of 25 March 2022: specific guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan under the call for projects PNRR/2022/C5/1/A.3/1, Component 5 – Renovation Wave, Axis 1 – Energy efficiency grant scheme and Resilience in Multifamily Residential Buildings, Operation A.3 - Moderate or in-depth energy renovation of multifamily residential buildings (hereinafter referred to as “Guide A3”);
 - viii) Copy of the publication of the calls on the website of the Ministry of Development, Public Works and Administration, (mdlpa.ro).

The authorities also provided:

- ix) Ministerial Order No. 434/2022, published in the Official Journal No.285 Part I of 24 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts, approving the de minimis aid scheme.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

Publication of the ministerial order establishing the financing scheme

The Ministry of Development, Public Works and Administration approved and published Ministerial Order No. 442/2022, Ministerial Order No. 443/2022 and Ministerial Order No. 444/2022 (published in the national Official Journal on 25 March 2022). These Ministerial Orders approve the legally binding terms of reference (Guides A1, A2 and A3). These are the terms of reference which specify the specific conditions for accessing the funds for all types of renovation actions, thereby establishing the financing scheme for energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of multifamily residential buildings.

The scheme shall finance the energy renovation of at least 4.3 million m² of residential buildings.

Section 1 of the legally binding terms of reference published (Guides A1, A2 and A3) provides that the scheme “will finance the energy renovation of the at least 4.3 million square meters of multifamily residential buildings through the following types of projects: integrated projects (seismic strengthening and energy efficiency) and energy renovation projects”. Applicants must indicate the surfaces they are going to renovate in the Funding Request Form (generated for the applicant by the electronic platform) in the Declaration of undertaking the implementation of the investment, contained in Annex model C on page 55 of Guide A1, page 45 of Guide A2, page 53 of Guide A3, as well as in the Report of energy audit and the Technical expertise report.

The scheme shall finance the following types of projects: - integrated projects (seismic consolidation and energy efficiency); - energy renovation projects

The legally binding terms of reference (Guide A1, Guide A2 and Guide A3) cover integrated projects (i.e. seismic consolidation and energy efficiency) and energy renovation projects. Guide A1 covers integrated renovations (see Sections 1.1 on pillar, component, general objective, Section 1.2 on specific objectives, investment axes and Section 4.2 on eligibility of expenditure) and Guide A2 (Sections 1.1, 1.2 and 4.2) and Guide A3 (Sections 1.1, 1.2 and 4.b2) cover energy renovation

projects.

The financing scheme shall ensure that at least 90 % from the total allocation shall be used for energy efficiency works and not more than 10 % of the allocation shall be used for seismic consolidation and other complementary works (such as fire safety, accessibility)

Section 2.4 of Guide A1 on the allocation of the call for projects provides that 10% (EUR 10 million) of the total value earmarked for the financing scheme (EUR 100 million) is allocated for seismic consolidation works. The remaining 90% (EUR 900 million) is allocated for energy efficiency works (Sections 2.4).

The entire scheme shall ensure that all contracts achieve the relevant energy efficiency requirement of a minimum reduction of energy consumption by at least 50 % compared to the annual energy consumption for heating prior to the renovation for each building (except for building with a status of a cultural good), which shall deliver a minimum of 30 % (moderate renovation) and of 60 % (deep renovation) of primary energy demand savings compared to prerenovation state.

The legally binding terms of reference (Guide A1, Guide A2 and Guide A3) ensure that all contracts achieve the relevant energy efficiency requirements. Sections 4 – 4.1 point 13 on page 19 of Guide A1, page 17 of Guide A2 and page 21 of Guide A3 contain as eligibility criteria for projects the requirement that these reduce energy consumption by at least 50% compared to the annual energy consumption for heating prior to the renovation of each building (except for buildings with status of cultural good). Moreover, point H of Annex Model B1 – Declaration of Eligibility (on page 50 of Guide A1, page 41 of Guide A2 and page 45 of Guide A3) states that “the interventions proposed for the building lead to a reduction of the specific annual energy consumption for heating at least 50% compared to the specific annual energy consumption for heating before the renovation of each building (with the exception of buildings listed or in the process of being listed as monuments and buildings of special architectural value established by urban planning documentation, buildings in protected built-up areas approved according to the law)”.

All terms of reference (Guide A1, Guide A2 and Guide A3) contain legally binding provisions aimed to deliver a minimum of 30% (moderate renovation) and of 60% (deep renovation) of primary energy demand savings compared to pre-renovation state, in particular:

- i) Point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide A1 provides that “the interventions proposed for the building must lead to a reduction of primary energy consumption of at least 30% for moderate renovation projects compared to the pre-renovation state” (page 19).
- ii) Point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide A2 provides that “the interventions proposed for the building must lead to a reduction of primary energy consumption, located in the range of 30%-60%, in comparison with the pre-renovation state” (page 17).
- iii) Point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide A3 provides that “the interventions proposed for the building must lead to a reduction of primary energy consumption in the range of 30%-60% for moderate renovation projects, respectively over 60% for deep energy renovation projects, compared to the pre-renovation state” (page 21).

The entire scheme shall ensure compliance with the “do no significant harm” Technical Guidance (2021/C58/01).

Point 7 Section 4 - 4.1 of all legally binding terms of reference (on page 17 of Guide A1, page 16 of Guide A2, and page 20 of Guide A3) contains as eligibility criterion the requirement that projects comply with the “do no significant harm” Technical Guidance (2021/C58/01). The applicants have to complete the Declaration regarding the observance of the application of the “do no significant harm” principle in the implementation of the project (Annex model E) and provide the information and documents required to the relevant authorities during the implementation of the project to demonstrate the application of the “do no significant harm” principle (Model Annex E, page 57 of Guide A2, page 47 of Guide A2, page 55 of Guide A3). The applicant also undertakes to comply with the “do no significant harm” principle by signing and completing the Declaration of Commitment – Annex Model A (page 47 of Guide A1, page 38 of Guide A2 and page 42 of Guide A3) and Declaration of Commitment – Annex Model C (point E, page 55 of Guide A1, page 45 of Guide A2, page 53 of Guide A3). All three terms of reference in subsection 6.6.5 require the applicant to present, both after the conclusion of the contract procedure and during the execution of the works and upon their completion, the supporting documents demonstrating compliance with the “do no significant harm” principle; otherwise the contract can be terminated (page 28 of Guide A1; page 27 of Guide A2; page 29 of Guide A3).

Furthermore, the justification and substantiating evidence provided by the Romanian authorities also cover the relevant constitutive elements in the description of the measure.

The objective of the investment is to achieve a total CO₂ savings of at least 0.15 million tons and total primary energy savings at least 0.15Mtep.

Subsection 1.4 of Guide A1, Guide A2 and Guide A3 sets out the “estimated annual reduction of greenhouse gases (kg CO₂ equivalent/m² year)” and “reduction of total primary energy consumption” of the calls for projects (on page 7 of Guide A1, page 7 of Guide A2, and page 7 of Guide A3). The estimates are based on table 7 in Chapter VIII of the Annex to the Romanian Long-Term National Strategy (HG1034/2020) On this basis, the measure is expected to fulfil the requirement of total CO₂ savings of at least 0.075 million tons and total primary energy demand savings of 0.0215 million-ton equivalent of petroleum (Mtep).

The scheme shall stipulate that all renovations are, on average, expected to achieve a minimum of 30 % of primary energy demand savings.

All terms of reference (Guide A1, Guide A2 and Guide A3) contain provisions aimed to deliver a minimum of 30% (moderate renovation) and of 60% (deep renovation) of primary energy demand savings compared to pre-renovation state, as explained above.

The works shall also respect the aesthetics and architectural quality of the building, by taking into account the possible cultural protection requirements of renovation in the case of buildings belonging to cultural heritage.

The template eligibility declaration which all applicants must sign (on page 50 of Guide A1, page 41 of Guide A2, and page 45 of Guide A3) a statement providing that intervention works to increase the energy performance of the block of flats are approved in advance, from the aesthetic and architectural point of view. This concerns buildings considered a monument or located in the historical centre of the town, in a protection zone of historical monuments and/or in a protected

built-up area approved according to the law. By signing the eligibility declaration, applicants declare that the buildings included in the funding application comply with this condition.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 96 | Related Measure: Establishment of a Renovation Wave fund to finance works to improve the energy efficiency of the existing building stock | |
| Name of the Milestone: Establishing a national support scheme for energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for public buildings | | |
| Qualitative Indicator: Publication of the order establishing the scheme | | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone 96 is part of Axis 2 of investment C5.I1, which aims to improve the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of public buildings in Romania, while (i) taking into account the possible cultural protection requirements in the case of renovation of buildings belonging to cultural heritage and (ii) improving the accessibility of buildings by creating facilities and adapting buildings to the needs of persons with disabilities and of the ageing population. To this end, Axis 2 of investment C5.I1 consists in setting up a financing scheme with two calls for proposals covering respectively: (i) integrated projects that improve both seismic consolidation and energy efficiency; and (ii) moderate (80%) and deep (20%) energy renovations of buildings used by central public authorities, county councils, county seat municipalities and other municipalities. In case of major renovations of buildings having more than ten parking spaces, at least one recharging point for electric vehicles or built-in infrastructure should be installed.</p> <p>Milestone 96 concerns the establishment of a national support scheme to finance two types of renovation measures covering at least 2.3 million square meters of public buildings, namely: (i) integrated projects that improve both seismic consolidation and energy efficiency and (ii) energy renovation projects. Out of the total allocation, at least 90% must be used for energy efficiency works and not more than 10% for seismic consolidation. The scheme ensures that all contracts achieve a minimum reduction of energy consumption by at least 50% compared to the annual energy consumption for hearing prior to the renovation (except for building with the status of a cultural good), delivering a minimum of 30% (moderate renovation) and of 60% (deep renovation) of primary energy demand savings compared to pre-renovation state.</p> <p>The milestones is the first step in the implementation of Axis 2 of investment C5.I1. It will be followed by milestone 98 concerning the calls for proposals, milestone 100 concerning the signature of contracts and targets 104, 105 and 106 concerning the number of square meters of public buildings renovated. In relation to multifamily residential buildings, relevant milestones include #95, #97 and #99 and targets #101, #102 and #103. The investment has an expected date for completion in June 2026.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Ministerial Order No. 440/2022, published in the Official Journal Part I No. 286 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts (hereinafter | | |

- referred to as “Ministerial Order No. 440/2022”);
- iii) Annex of Ministerial Order No. 440/2022, published in the Official Journal Part I No. 286 bis of 25 March 2022: specific guide - Conditions for accessing European funds related to the National Recovery and Resilience Plan within the call for projects. PNRR/2022/C5/2/B.2.1/1, PNRR/2022/C5/B.2.2/1, component 5 – Renovation wave, Axis 2 – Grant scheme for energy efficiency and resilience in public buildings, operation B.2: moderate or deep energy renovation of public buildings) (hereinafter referred to as “Guide B2”);
 - iv) Ministerial Order No. 441/2022, published in the Official Journal Part I No. 289 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts (hereinafter referred to as “Ministerial Order No. 441/2022”);
 - v) Annex of Ministerial Order No. 441/2022, published in the Official Journal Part I No. 289 bis of 25 March 2022: specific guide - Conditions for accessing European funds related to the National Recovery and Resilience Plan within the call for projects. PNRR/2022/C5/2/B.1/1, component 5 – Renovation wave, Axis 2 – Grant scheme for energy efficiency and resilience in public buildings, operation B.1: integrated renovation (seismic strengthening and moderate energy renovation) of public buildings (hereinafter referred to as “Guide B1”);
 - vi) Copy of the publication of the calls on website of the Ministry of Development, Public Works and Administration (mdlpa.ro).

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Publication of the order establishing the scheme

The Ministry of Development, Public Works and Administration approved and published Ministerial Order No. 440/2022 and Ministerial Order No. 441/2022 (published in the Official Journal Part I No. 286 bis on 25 March 2022). These Ministerial Orders approve the legally binding terms of reference (Guide B1 and Guide B2). These are the terms of reference which specify the specific conditions for accessing the funds for each type of renovation actions, thereby establishing the financing scheme for energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of public buildings.

The scheme shall finance the energy renovation of at least 2.3 million m² of public buildings.

Section 1.1 of the legally binding Guides B1 and B2 provides that the scheme “will finance the energy renovation of at least 2.3 million square meters of public buildings through the following types of projects: integrated projects (seismic strengthening and energy efficiency) and energy renovation projects”. Applicants must indicate the surfaces they are going to renovate in the Funding Request Form (generated for the applicant by the electronic platform) in the Declaration of undertaking the implementation of the investment - Annex model E (page 64 – Guide B1, page 57 in Guide B2) as well as in the Report of energy audit and the Technical expertise report.

The scheme shall ensure the following types of projects: - integrated projects (seismic consolidation and energy efficiency) - energy renovation projects.

Legally binding Guide B1 covers integrated renovations (see Sections 1.1, 1.2 and 4.2) and Ministerial Order No. 441/2022 (see Sections 1.1, 1.2 and 4.2) covers energy renovation projects.

The financing scheme shall ensure that at least 90 % from total allocation shall be used for energy efficiency works and not more than 10 % of the allocation shall be used for seismic consolidation and other complementary works (such as fire safety, accessibility).

Section 1.1 of the Annexes to Guides B1 and B2 provides that at least 90% of the total value earmarked for the financing scheme is allocated for energy efficiency works and no more than 10% of the allocated must be used for seismic consolidation works. Guide B2 allocates EUR 117 million to seismic consolidation and EUR 102.9 million to moderate energy renovation, while Guide B1 allocates EUR 937 540 million to moderate and deep energy renovation, with 80% allocated to moderate and 20% allocated to deep energy renovations.

The entire scheme shall ensure that all contracts shall achieve the relevant energy efficiency requirement of a minimum reduction of energy consumption by at least 50 % compared to the annual energy consumption for heating prior to the renovation for each building (except for building with a status of a cultural good), which shall deliver a minimum of 30 % (moderate renovation) and of 60 % (deep renovation) of primary energy demand savings compared to pre-renovation state.

The “do no significant harm” compliance declaration on page 51 of Guide B1 and on page 51 of Guide B2 require the applicant to declare that “the interventions proposed for the building lead to a reduction of the specific annual energy consumption for heating at least 50% compared to the specific annual energy consumption for heating before the renovation of each building (with the exception of buildings listed or in the process of being listed as monuments and buildings special architectural value established by urban planning documentation, buildings in protected built-up areas approved according to the law)”. This condition is equivalent to “building with a status of cultural good” as required by the milestone, since they are approved according to the law.

Point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide B2 requires that “the interventions to increase the energy efficiency proposed for the building lead to reductions in primary energy consumption, of at least 30% compared to the pre-renovation state.

Point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide B1 requires that “the interventions to increase the energy efficiency proposed for the building lead to reductions in primary energy consumption, located in the range of 30%-60% for moderate energy renovation projects and over 60% for deep energy renovation projects compared to the pre-renovation state.

The entire scheme shall ensure compliance with the “do no significant harm” Technical Guidance (2021/C58/01).

Sections 4 – 4.1 of legally binding Guides B1 and B2 contain as eligibility criterion the requirement that projects comply with the “do no significant harm” Technical Guidance (2021/C58/01). Additionally, the applicants have to complete the Declaration regarding the observance of the application of the “do no significant harm” principle in the implementation of the project and provide to the relevant authorities the information and documents required during the implementation of the project to demonstrate the application of the “do no significant harm” principle (Model Annex G, on page 9 of Guide B1, page 67 of Guide B2). In addition, the applicant undertakes to comply with the “do no significant harm” principle by signing and completing the Declaration of Commitment – Annex Model A (page 43 of Guide B1, page 49 of Guide B2) and Declaration of Commitment – Annex Model E (point E, page 57 of Guide B1, and point F, page 64 of

Guide B2). Both guides in subsection 6.6.5 require the applicant to present, both after the conclusion of the contract procedure and during the execution of the works and upon their completion, the supporting documents demonstrating compliance with the “do no significant harm” principle; otherwise, the contract must be terminated (page 31 of Guide B1; page 30 of Guide B2).

Furthermore, the justification and substantiating evidence provided by the Romanian authorities also cover the relevant constitutive elements in the description of the measure.

The objective of the investment is to achieve a total CO₂ savings of at least 0.075 million tons and total primary energy savings at least 0.0215Mtep.

Subsection 1.4 of the Guides B1 and B2 sets out the “estimated annual reduction of greenhouse gases (equivalent kg/CO₂/m² year)”. The estimates are based on table 7 in Chapter VIII of the Annex to the Romanian Long-Term National Strategy (HG1034/2020). On this basis, the measure is expected to fulfil the requirement of total CO₂ savings of at least 0.075 million tons and total primary energy demand savings of 0.0215 million-ton equivalent of petroleum (Mtep).

The scheme shall stipulate that all renovations are, on average, expected to achieve a minimum of 30 % of primary energy demand savings.

All terms of reference (Guide B1 and Guide B2) contain provisions aimed to deliver a minimum of 30% (moderate renovation) and of 60% (deep renovation) of primary energy demand savings compared to pre-renovation state, as explained above.

The works shall also respect the aesthetics and architectural quality of the building, by taking into account the possible cultural protection requirements of renovation in the case of buildings belonging to cultural heritage.

The template eligibility declaration which applicants must sign (page 46 of Guide B1 and page 52 of Guide B2) a statement providing that intervention works to increase the energy performance of the block of flats are approved in advance, from the aesthetic and architectural point of view. This concerns buildings considered a monument or located in the historical centre of the town, in a protection zone of historical monuments and/or in a protected built-up area approved according to the law. By signing the eligibility declaration, applicants declare that the buildings included in the funding application comply with this condition.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 97 | Related Measure: Establishment of a Renovation Wave fund to finance works to improve the energy efficiency of the existing building stock | |
| Name of the Milestone: Calls for proposals for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for residential buildings | | |
| Qualitative Indicator: Publication of call specifications | | Time: Q2 2022 |
| Context: Milestone 97 is part of Axis 1 of investment C5.I1, which aims to improve the energy renovation rate of residential buildings, while (i) taking into account the possible cultural protection requirements in the case of renovation of buildings belonging to cultural heritage and (ii) improving the accessibility | | |

of buildings by creating facilities and adapting buildings to the needs of persons with disabilities and of the ageing population. To this end, Axis 1 of investment C5.11 consists in setting up a national financing scheme with three calls for proposals on residential multifamily buildings covering respectively: (i) integrated projects that improve both seismic consolidation and energy efficiency; (ii) moderate energy efficiency renovations in communities at risk of poverty and social exclusion; and (iii) moderate (90%) and deep (10%) energy renovations, to be allocated to local authorities according to the number of buildings and their population of the country.

Milestone 97 concerns the launch of the three calls for proposals specified in the description of the milestone to local authorities to finance renovation measures covering at least 4.3 million square meters of residential buildings.

The milestone is the second step in the implementation of Axis 1 of the investment. It follows the completion of milestone 95 related to the establishment of a national support scheme for the renovations. It will be followed by milestone 99 related to the signature of contracts and targets 101, 102 and 103 related to the number of square meters of multi-family residential buildings renovated. In relation to public buildings, relevant milestones include #96, #98 and #100 and targets #104, #105 and #106 related to the number of square meters of public buildings renovated. The investment has an expected date for completion in June 2026.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Ministerial Order No. 442/2022, published in the Official Journal No. 290 and 290 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts("hereinafter referred to as "Ministerial Order No.442/2022");
- iii) Annex to Ministerial Order No. 442/2022, published in the Official Journal No. 290 and 290 bis of 25 March 2022: specific guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan under the call for projects PNRR/2022/C5/1/A.1/1, Component 5 – Renovation Wave, Axis 1 – Energy efficiency grant scheme and Resilience in Multifamily Residential Buildings, Operation A.1 - Integrated Renovation (Seismic Consolidation and Moderate Energy Renovation) of Multifamily Residential Buildings (hereinafter referred to as "Guide A1");
- iv) Ministerial Order No. 443/2022, published in the Official Journal No. 291 and 291 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts (hereinafter referred to as "Ministerial Order No. 443/2022");
- v) Annex to Ministerial Order No. 443/2022, published in the Official Journal No. 291 and 291 bis of 25 March 2022: specific guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan under the call for projects PNRR/2022/C5/1/A.2/1, Component 5 – Renovation Wave, Axis 1 – Energy efficiency grant scheme and Resilience in Multifamily Residential Buildings, Operation A.2 - Moderate Energy Renovation of Multifamily Residential Buildings for Communities at Risk of Poverty and Social Exclusion (hereinafter referred to as "Guide A2");
- vi) Ministerial Order No. 444/2022, published in the Official Journal No. 292 and 292 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts("hereinafter referred to as "Ministerial Order No. 444/2022");

- vii) Annex to Ministerial Order No. 444/2022, published in the Official Journal No. 291 and 291 bis of 25 March 2022: specific guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan under the call for projects PNRR/2022/C5/1/A.3/1, Component 5 – Renovation Wave, Axis 1 – Energy efficiency grant scheme and Resilience in Multifamily Residential Buildings, Operation A.3 - Moderate or in-depth energy renovation of multifamily residential buildings (hereinafter referred to as “Guide A3”);
- viii) Copy of the publication of the calls on the website of the Ministry of Development, Public Works and Administration: <https://mdlpa.ro/pages/c5valulrenovarii>.

The authorities also provided:

- ix) The Ministerial Order No. 434/2022 published in the Official Journal No.285 Part I, 24 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts, approving the minimis aid scheme;
- x) Law No. 372/2005 published in the Official Journal No. 579 of 1 July 2020 (hereinafter referred to as “Law No. 372/2005”) and entered into force on the same day in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts;
- xi) Government Emergency Ordinance No. 14/2023, amending Law No. 372/2005, published in the Official Journal No. 219 of 16 March 2023 and entered into force on 19 March 2023 in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts (hereinafter referred to as “Law No. 372/2005, as amended by GEO No. 14 of 15 March 2023”);
- xii) “Earthquakes and Their Socio-economic Consequences”, M. Beer et al. (eds.), Encyclopedia of Earthquake Engineering (Springer-Verlag Berlin Heidelberg 2015) (hereinafter referred to as “the study on the socioeconomic consequences of earthquakes”).

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

The following three calls for proposals shall be published by the Ministry of Development, Public works and Administration for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of residential buildings:

- **call for integrated projects where seismic consolidation interventions shall be carried out in an integrated manner with those dedicated to increasing energy efficiency. The call shall be dedicated to local administrative units located in areas where the peak value of the ground acceleration for earthquake design a(g), according to the zoning map of the Romanian territory in the Code of seismic design P100-1 is greater than or equal to 0.2g for IMR=225 years. The specification of the call shall require priority to be given to communities at risk of poverty and social exclusion.**
- **call for energy efficiency renovation projects dedicated to communities at risk of poverty and social exclusion with a budget of at least 20% of the allocation for Investment 1, Axis 1 corresponding to energy efficiency.**
- **call for territorial energy efficiency renovation projects open to all the Local Administrative Units including the six sectors of Bucharest per county according to the number of multifamily residential buildings and the population of the county.**

On 1 April 2022, the following first round of calls for proposals of projects were launched on the

electronic platform of the Ministry of Development, Public works and Administration:

- (i) call for proposals PNRR/2022/C5/1/A.1/1 covering integrated renovation, that is seismic consolidation and energy efficiency, of multifamily residential buildings;
- (ii) call for proposals PNRR/2022/C5/1/A.2/1 covering moderate energy renovation for residential buildings dedicated to communities at risk of poverty and social exclusion;
- (iii) call for proposals PNRR/2022/C5/1/A.3.1/1 covering moderate energy efficiency renovation of residential buildings; and
- (iv) call for proposals PNRR/2022/C5/1/A.3.2/1 covering deep energy efficiency renovation of residential buildings.

The legally binding terms of reference for each call are laid down in Guides A1, A2 and A3, approved by Ministerial Order No.442/2022, Ministerial Order No.443/2022 and Ministerial Order 444/2022 respectively.

The Council Implementing Decision required that three calls for proposals shall be published. The Romanian authorities have published the first two calls for proposals in line with the Council Implementing Decision requirements, and have divided the third call into two separate calls covering moderate and deep energy efficiency renovation of residential buildings, respectively. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the division of the third call into two separate calls allowed for a better differentiation of potential projects in terms of target of primary energy demand savings for either moderate or deep energy efficiency renovation of residential buildings. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

For the call for integrated renovation projects, Sections 2.1 - type of projects launched (page 8) and 4.1 - eligibility of the applicant and activities (page 14) of Guide A1 stipulate that integrated projects are dedicated to local administrative units located in areas where the peak of the ground acceleration for earthquake design a(g) P100-1 is greater than or equal to 0.2g for IMR=225 (according to the zoning map of the Romanian territory in the Code of seismic design). Guide A1 stipulate that priority must be given to communities at risk of poverty and social exclusion.

Guide A2 does not specify that communities at risk of poverty and social exclusion should be given priority, but the call itself is addressed to communities at risk of poverty and social exclusion. This is because buildings at seismic risk, which are the ones eligible for integrated renovation works under Guide A2, are predominantly used by communities at risk of poverty and social exclusion. As mentioned in the study on the socioeconomic consequences of earthquakes provided by Romania, socially vulnerable groups generally reside in older, poorly built housing at higher risk of earthquake damage. In this respect, the competent Romanian authorities conducted an evaluation on the funding requests under the call for proposals PNRR/2022/C5/1/A.1/1 covering integrated renovation (seismic consolidation and energy efficiency), of multifamily residential buildings, which have been evaluated so far. This evaluation (included in the summary document) proves that out of the total of 108 multi-family residential buildings, covered by the 48 funding requests evaluated, respectively, in 87 of them (81%) one or more households benefit from aid available to persons at risk of poverty and social exclusion.

In the call for energy efficiency renovation projects dedicated to communities at risk of poverty and social exclusion, Guide A2 in Section 1.1 - pillar, component, general objective (pages 6 and 31) provides that at least 20% of the budget allocation for the financing scheme correspond to energy efficiency.

In the two calls for energy renovation projects, Section 2.6 of Guide A3 on eligible applicants (page 14) stipulates that territorial energy efficiency renovation projects are open to all the Local Administrative Units including the six sectors of Bucharest. Section 2.6 of Guide A3 on allocation of

the call for projects provides that the eligible amounts per county (respectively sector in case of Bucharest) are based on the number of multifamily residential buildings and the population of the county as main criteria.

Buildings that are classified in seismic risk classes Rsl and RslI shall be excluded for energy efficiency contracts awarded in the second and third calls.

Point 12 of Section 4.1 of Guide A, on eligibility of the applicant and point 12 of Section 4.a of Guide A3 on eligibility of the applicant exclude multi-family residential buildings classified in the seismic risk classes I or II (Rsl and RslI) from the financing of energy-efficiency-only interventions.

All three call for proposals shall include selection criteria stipulating that all contracts shall state the relevant energy efficiency requirement of a minimum reduction of energy consumption for heating by at least 50 % compared to the annual energy consumption for heating prior to the renovation for each building (except for building with a status of a cultural good), which shall deliver at least 30% primary energy savings compared to pre-renovation state (moderate renovation).

The legally binding terms of reference, notably under point 13 of Sections 4 – 4.1 (page 19) of Guide A1, Point 13 of Sections 4 – 4.1 on page 15 of Guide A2 and Point 13 of Sections 4 – 4.a on page 21 of Guide A3, require as an eligibility criterion for projects that they reduce energy consumption by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for buildings with status of cultural good). Moreover point H Model B1 – Declaration of Eligibility annexed to the terms of reference (page 50 of Guide A1, page 41 of Guide A2 and page 45 of Guide A3) requires the applicant’s legal representative to declare that “the proposed interventions for the building lead to a reduction of the specific annual energy consumption for heating at least 50% compared to the specific annual energy consumption for heating before the renovation of each building (with the exception of buildings listed or in the process of being listed as monuments and buildings special architectural value established by urban planning documentation, buildings in protected built-up areas approved according to the law)”. All terms of reference contain provisions requiring at least a minimum of 30% of primary energy demand savings compared to pre-renovation state, in particular:

- (i) point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide A1 provides that “the interventions proposed for the building must lead to a reduction of primary energy consumption of at least 30% for moderate renovation projects compared to the pre-renovation state” (page 19);
- (ii) point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide A2 provides that “the interventions proposed for the building must lead to a reduction of primary energy consumption, located in the range of 30%-60%, in comparison with the pre-renovation state” (page 17); and
- (iii) point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide A3 provides that “the interventions proposed for the building must lead to a reduction of primary energy consumption in the range of 30%-60% for moderate renovation projects, respectively over 60% for deep energy renovation projects, compared to the pre-renovation state” (page 21).

The Council Implementing Decision required that the calls for proposals contain the selection criteria. However, the Romanian authorities included the selection criteria in the Guides published, which constituted the terms of reference for the call, and included provisions related to the selection criteria. The Guides were approved by Ministerial Orders of 25 March 2022: No. 442/2022,

No. 443/2022 and No. 444/2022, respectively. They are legally binding and establish binding selection criteria. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the selection criteria included in the Guides have the same legal value as those included in calls for proposals. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The third call shall require 10 % of the budget to be spent for projects delivering at least 60 % primary energy savings (deep renovation) compared to pre-renovation state.

Under Guide A3, two calls were launched, one covering moderate renovations (allocated EUR 603 million) and one covering deep renovations (allocated EUR 67 million), ensuring that 10% of the total budget is spent on deep renovations. This allocation is stated in Section 2.4 of Guide A3 (page 9-13).

The investment shall not cover the replacement of gas boilers.

All terms of reference stipulate that investments cannot cover the replacement/repair of gas boilers (pages 15 and 19 of Guide A1, pages 14 and 18 of Guide A2, and pages 19 and 22 of Guide A3).

If any funds remained uncontracted after the first round, the remaining funds shall be made available at the same conditions to all the local administrative units on a first come, first served basis.

Since funds remained uncontracted after the first round, the Ministry of Development, Public works and Administration, which is responsible for the publication of calls for proposals for local authorities, has published a second call on its website on the basis on a first come, first served in March 2022 with the same conditions to all local administrative units at: <https://mdlpa.ro/pages/pnrr>.

Furthermore, the justification and substantiating evidence provided by the Romanian authorities also cover the relevant constitutive elements in the description of the measure.

In case of major renovation of buildings having more than 10 parking spaces, the cabling infrastructure for each parking space shall ensure the possibility to install charging points for electric vehicles and one charging point for every 5 parking spaces shall be installed.

Article 15(3) of Law No. 372/2005, as amended by GEO No. 14 of 15 March 2023, provides that “[...] in the case of major renovation of existing residential buildings, which have more than 10 parking spaces, their investors/owners, as the case may be, are obliged to ensure the installation of ducts for electric cables for each parking space, as well as the installation of an electric vehicle recharging point for every 5 parking spaces.”

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 98

Related Measure: Establishment of a Renovation Wave fund to finance works to improve the energy efficiency of the existing building stock

Name of the Milestone: Call for proposals for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) (public buildings)

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|--|----------------------|
| Qualitative Indicator: Publication of call specifications | Time: Q2 2022 |
| <p>Context:</p> <p>Milestone #98 is part of Axis 2 of investment C5.11, which aims to improve the energy renovation rate of public buildings in Romania, in parallel with seismic renovation, while (i) taking into account the possible cultural protection requirements in the case of renovation of buildings belonging to cultural heritage and (ii) improving the accessibility of buildings by creating facilities and adapting buildings to the needs of persons with disabilities and of the ageing population.</p> <p>Milestone #98 concerns the launch of two calls for proposals to local authorities to finance renovation measures. The first call covers integrated projects for seismic consolidation and energy efficiency works and the second call covers moderate (80%) and deep (20%) energy renovations of buildings used by central public authorities, county councils, county seat municipalities and other municipalities.</p> <p>The milestone follows milestone #96 which concerns the establishment of a national support scheme for renovations of public buildings (see relevant preliminary assessment fiche), and will be followed by milestone #100 and targets #104, #105 and #106 concerning the number of square meters of public buildings renovated. In relation to multifamily residential buildings, relevant milestones include #95, #97 and #99 and targets #101, #102, #103 concerning the number of square meters of multifamily residential buildings renovated. The investment has an expected date for completion in June 2026.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Ministerial Order No. 440/2022, published in the Official Journal Part I, No. 286 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts (hereinafter referred to as “Ministerial Order No. 440/2022”); iii) Annex of Ministerial Order No. 440/2022, published in the Official Journal Part I, No. 286 bis of 25 March 2022: specific guide - Conditions for accessing European funds related to the National Recovery and Resilience Plan within the call for projects. PNRR/2022/C5/2/B.1/1, component 5 – Renovation wave, Axis 2 – Grant scheme for energy efficiency and resilience in public buildings, operation B.1: moderate or deep energy renovation of public buildings (hereinafter referred to as “Guide B1”); iv) Ministerial Order No. 441/2022, published in the Official Journal Part I, No. 289 bis of 25 March 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts (hereinafter referred to as “Ministerial Order No.441/2022”); v) Annex of Ministerial Order No. 441/2022, published in the Official Journal Part I, No. 289 bis of 25 March 2022: specific guide - Conditions for accessing European funds related to the National Recovery and Resilience Plan within the call for projects PNRR/2022/C5/2/B.2.1/1, PNRR/2022/C5/B.2.2/1, component 5 – Renovation wave, Axis 2 – Grant scheme for energy efficiency and resilience in public buildings, operation B.2: integrated renovation (seismic strengthening and moderate energy renovation) of public buildings (hereinafter referred to as “Guide B2”); vi) Copy of the publication of the calls on website of the Ministry of Development, Public Works and Administration: https://mdlpa.ro/pages/c5valulrenovarii. | |

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Calls for proposals published by the Ministry of Development, Public works and Administration for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of public buildings for green and resilient transition:

- call for integrated projects where seismic consolidation interventions shall be carried out in an integrated way with those dedicated to increasing energy efficiency. The call shall be dedicated to local administrative units located in areas where the peak value of the ground acceleration for earthquake design $a(g)$, according to the zoning map of the Romanian territory in the Code of seismic design P100-1 is greater than or equal to 0.2g for IMR=225 years.

- call for moderate (80%) and deep (20%) energy renovation projects, dedicated to central public authorities, county councils, county seat municipalities and other municipalities, including the six sectors of Bucharest.

On 1 April 2022 the following first two calls for proposals of projects, including specifications, were published and launched on the electronic platform of the Ministry:

- (i) PNRR/2022/C5/2/B.2.1/1, PNRR/2022/C5/B.2.2/1 component 5 – Renovation wave, Axis 2 – Grant scheme for energy efficiency and resilience in public buildings, operation B.2: moderate or deep energy renovation of public buildings, published in the Official Journal Part I, No. 289 bis of 25 March 2022;
- (ii) PNRR/2022/C5/2/B.1/1, component 5 – Renovation wave, Axis 2 – Grant scheme for energy efficiency and resilience in public buildings, operation B.1: integrated renovation (seismic strengthening and moderate energy renovation) of public buildings, published in the Official Journal Part I, No. 286 bis of 25 March 2022.

The specific requirements for each call are laid down in Guide B1 and B2, approved by Ministerial Order No. 441/2022 and Ministerial Order No.440/2022 respectively.

These terms of reference have an equivalent obligatory force to the call for proposals.

The terms of reference of the call for integrated renovation projects (Guide B1) stipulate that integrated projects are dedicated to local administrative units located in areas where the peak of the ground acceleration for earthquake design $a(g)$ P100-1 is greater than or equal to 0.2g for IMR=225 years (according to the zoning map of the Romanian territory in the Code of seismic design) (see Section 4.1 - eligibility of the applicant of Guide B1, point 5). This confirms that seismic consolidation interventions shall be carried out in an integrated way with those dedicated to increasing energy efficiency as they are part of the specific legally binding terms of reference (Guide 1) of the call for integrated renovation projects.

For the call for energy renovation projects, Guide B2 states that 20% of the budget shall be spent for projects delivering at least 60% of primary energy savings (deep renovation) compared to pre-renovation state (page 30). Consequently, 80% of the call shall be dedicated to moderate energy renovation projects. Section 2.6 of Guide B2 on Eligible applicants lists central public authorities, county councils, county seat municipalities and other municipalities – including the six sectors of Bucharest- as eligible for funding under the call for projects.

Buildings classified in Rsl and RslI seismic risk classes shall be excluded from contracts awarded in the second call.

Point 12 of Section 4.1 on eligibility of the applicant of Guide B2 excludes buildings classified as class

I or class II of seismic risk.

The two calls for proposals shall include selection criteria stipulating that all contracts shall state the relevant energy efficiency requirement of a minimum reduction of energy consumption for heating by at least 50% compared to the annual energy consumption for heating prior to the renovation for each building (except for building with a status of a cultural good), which shall deliver at least 30% primary energy savings (moderate renovation) compared to pre-renovation state.

The legally binding terms of reference, notably under point 13 of Section 4.1 of Guide B1 and Point 13 of Section 4.1 of Guide B2, provide that “the interventions proposed for the building lead to a reduction of the specific annual energy consumption for heating at least 50% compared to the specific annual energy consumption for heating before the renovation of each building (with the exception of buildings listed or in the process of being listed as monuments and buildings special architectural value established by urban planning documentation, buildings in protected built-up areas approved according to the law)” (page 16 of Guide B1 and page 18 of Guide B2). This condition is equivalent to “building with a status of cultural good” as required by the milestone, since they are approved according to the relevant law setting up the status of culture good as the Guides indicated. Furthermore, the same criterion is also included in the “do no significant harm” compliance declaration on page 5 of Guide B1.

Both terms of reference contain provisions to deliver a minimum of 30% (moderate renovation) and of 60% (deep renovation) of primary energy demand savings compared to pre-renovation state :

- (i) Point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide B1 provides that “the interventions to increase the energy efficiency proposed for the building lead to reductions in primary energy consumption, of at least 30% compared to the pre-renovation state.
- (ii) Point 14 of subsection 4.1 “Eligibility of the applicant and activities” of Guide B2 provides that “the interventions to increase the energy efficiency proposed for the building lead to reductions in primary energy consumption, located in the range of 30%-60% for moderate energy renovation projects and over 60% for deep energy renovation projects compared to the pre-renovation state.

The Council Implementing Decision required that the calls for proposals contain the selection criteria. However, the Romanian authorities included the selection criteria in the Guides published, which constituted the terms of reference for the call, and included provisions related to the selection criteria. The Guides were approved by Ministerial Orders of 25 March 2022: No. 442/2022, No. 443/2022 and No. 444/2022, respectively. They are legally binding and establish binding selection criteria. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the selection criteria included in the Guides have the same legal value as those included in calls for proposals. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The second call shall require 20% of the budget to be spent for projects delivering at least 60% primary energy savings (deep renovation) compared to pre-renovation state.

Under Guide B2, two calls were launched, one covering moderate renovations (allocated EUR 750 032 000) and one covering deep renovations (allocated EUR 187 508 000), ensuring that 20% of the budget be spent for projects delivering at least 60% of primary energy savings (deep renovation) compared to pre-renovation state (page 30).

Investments shall not cover the replacement of gas boilers.

Both Guides exclude investment for the replacement or repair of gas boilers (pages 15 and 19 of Guide B2 and pages 16 and 20 of Guide B1).

If any funds remained uncontracted after the first round, the remaining funds shall be made available at the same conditions to all municipalities on a first come, first served principle.

Since funds remained uncontracted after the first round, the Ministry of Development, Public works and Administration has published a second call on its website on a first come, first served basis in March 2022 with the same conditions to all municipalities: <https://mdlpa.ro/pages/pnrr>.

Furthermore, the justification and substantiating evidence provided by the Romanian authorities also cover the relevant constitutive elements in the description of the measure.

The Ministry of Development, Public Works and Administration shall monitor the implementation and the works shall be carried out either through the National Investment Company or directly by the relevant central, county councils, county seat municipalities and other municipalities, including the six sectors of Bucharest.

Subsection 6.6 of Guides B1 and B2 provide that "the monitoring of the implementation of financing contracts from a technical and financial point of view will be carried out by the Ministry of Development, Public Works and Administration". As relevant central, county councils, county seat municipalities and other municipalities, including the six sectors of Bucharest are the recipients of the terms of reference, the works shall be carried out directly by them as indicated by the above-mentioned subsection of Guides B1 and B2.

The Ministry shall be responsible for the publication of calls for proposals for public authorities.

The calls for proposals for public authorities were published by the Ministry of Development, Public Works and Administration, which confirmed they were responsible for the publication, also indicated in subsection 6.6. of Guides B1 and B2.

As much as possible, the calls shall be aggregated into centralised large procurement packages and standard tender documentation with performance indicators and specific requirements [...] shall be developed.

The calls were aggregated into centralised large procurement packages and standard tender documentation with performance indicators (notably in Ministerial Order No.440/2022 and Ministerial Order No.441/2022).

Specific requirements were developed, as included in Guide B1 and Guide B2.

In case of major renovation of buildings having more than ten parking spaces, it shall be ensured that at least one recharging point for electric vehicles or built-in infrastructure is installed.

Although Guides B1 and B2 do not explicitly include this requirement, works conducted in their framework must comply with Law No. 372/2005 regarding the Energy Performance of buildings. The Law was amended in September 2020 and entered into force on the same day in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative

acts. Notably, Article 15(1) of Law No. 372/2005, as amended, provides that “in the case of major renovation of non-residential buildings, which have more than 10 parking spaces, other than those owned and occupied by small and medium-sized enterprises, their investors/owners, as the case may be, are obliged to install at least one recharging point for electric vehicles, as well as the conduit for electric cables for at least 20% of the provided parking spaces, to allow the installation, at a later stage, of recharging points for electric vehicles”. Public buildings are included in the category of non-residential buildings.

Public buildings classified in the RSI and RslI seismic risk classes shall be excluded from the financing of energy-efficiency-only interventions.

This is assessed above as the assessment of this measure condition in the Council Implementing Decision overlaps.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 140 | Related Measure: Ensuring energy efficiency in the industrial sector | |
| Name of the Milestone: Opening of a call for tender for energy efficiency investments for the industry | | |
| Qualitative Indicator: Publication of the tender specifications | | Time: Q2 2022 |
| Context: | | |
| <p>Milestone #140 is part of investment C6.I5, which aims at increasing the energy efficiency of the industry to reduce by at least 30 % direct and indirect greenhouse gas (GHG) emissions of at least 50 companies. The investment could support measures that would lead to reduction in a company’s energy consumption, digitalisation of metering of energy consumption, increasing energy and heat self-consumption. The reduction shall be monitored through an IT platform that is expected to centralise and analyse data on companies’ energy consumption.</p> <p>Milestone #140 concerns the launch of call for the selection of energy efficiency projects in industry, to achieve at least a 30 % reduction in direct and indirect GHG emissions compared to ex-ante emissions for at least 50 projects, to be monitored through an IT platform for centralising and analysing national energy consumption.</p> <p>Milestone #140 is the first step of the implementation of investment C6.I5. It will be followed by target #141, the completion of at least 50 energy efficiency projects in industry achieving at least 30% reduction in direct and indirect GHG. Investment C6.I5 has an expected date for full implementation in Q4 2025, with the achievement of target #141.</p> | | |
| Evidence provided: | | |
| <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) A cover note justifying how the milestone was satisfactorily fulfilled. The cover note includes a reference to the specific provisions which fulfil the relevant elements of the milestone, as listed in the description of milestone and the corresponding measure in the Council Implementing Decision Annex; ii) Ministerial Order no. 659/2022 (published on the website of the Ministry of Energy on 30 June 2022) announcing the opening of the call from 30 June 2022 to 22 September 2022 (hereinafter also referred to as the “first tender”) and publishing the applicants’ guidelines for the selection of energy efficiency projects in industry; iii) Ministerial Order no. 1286/2022 (published on the website of the Ministry of Energy on 14 December 2022) announcing the opening of the call from 14 December 2022 to 15 February | | |

2023 (hereinafter also referred to as the “second tender) and publishing the applicants’ guidelines for the selection of energy efficiency projects in industry.

The authorities also provided:

- iii) Ministerial Order No. 658 (published on the website of the Ministry of Energy on 30 June 2022) adopting the State Aid scheme for the first tender;
- iv) Ministerial Order No. 1285/2022, (published on the website of the Ministry of Energy on 14 December 2022) adopting the State Aid scheme for the second tender.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all the constitutive elements of the milestone. In particular:

Launch of call for the selection of energy efficiency projects in industry.

The tender for the selection of energy efficiency projects in industry was launched twice. The first tender was launched on 30 June 2022 with the publication of the applicant’s guideline by Ministerial Order No. 659/2022 and published on the website of the Ministry of Energy on 30 June 2022. The call was open from 30 June 2022 to 22 September 2022.

Due to the low turnout of applicants, which would have threatened the achievement of target 141 (due in Q4 2025), a second tender was organised. The tender was launched on 14 December 2022 with the publication of the applicants’ guideline by Ministerial Order No. 1286/2022 and published on the website of the Ministry of Energy on 14 December 2022. The call was open from 14 December 2022 to 15 February 2023.

For both tenders, the applications had to be submitted through the platform dedicated to the Romanian Recovery and Resilience Plan (<https://proiecte.pnrr.gov.ro>).

The selection criteria shall require: the achievement of at least 30% reduction in indirect and direct GHG emissions compared to the ex-ante emissions, to be monitored through an IT platform for centralising and analysing national energy consumption.

The State Aid schemes for both tenders (adopted respectively with Ministerial Order No. 658/2022, published on the website of the Ministry of Energy on 30 June 2022, and Ministerial Order No. 1285/2022, published on the website of the Ministry of Energy on 14 December 2022) have an equivalent binding nature to the call for proposals and apply to all projects. Consequently, this is a minimal formal deviation that does not change the substance of the requirement. Both schemes include the performance indicators that beneficiaries should use to prove the (minimum) 30% reduction in direct and indirect GHG, compared to the ex-ante emissions, as part of the requirements. The indicators are: (i) annual primary energy consumption; (ii) estimated annual emission of greenhouse gases; and (iii) energy intensity (Article 6(1) of both State Aid schemes). The benchmark values for these indicators for each beneficiary are registered in 2021 by an authorised initial energy audit (Article 14(g) of both schemes). The year 2021 is the default ex-ante emissions reference year (monitoring run then through December 2025).

The beneficiaries are required to install energy management systems (EMS) to monitor the indicators above and prove the 30% reduction in direct and indirect GHG emissions, which will become part of IT platform evidence reporting tool that will monitor the reduction of GHG emissions. The EMS allows for a general metering of energy statistics, compilation of statistics on consumption, as well as recording, analysis and reporting of data on energy consumption. This equipment will allow for the modernisation and monitoring of energy consumption and will ensure real-time intervention to realise efficiency gains (Article 6(2) in both State Aid schemes).

Complementarily to the EMS, a final energy audit is conducted at the end of the operationalisation

period (and no later than December 2025) by a certified energy auditor (Article 2(2)).

The Ministry of Energy in discussions with Special Telecommunications Service, will set up the IT platform centralising and analysing data on national energy consumption to monitor the targeted reduction in indirect and direct GHG emissions compared to the ex-ante emissions, as indicated in the summary note. This will be assessed in the subsequent target as it refers to future GHG emissions.

The selection criteria shall require: compliance with the Do No Significant Harm Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. Furthermore, in line with the description of the measure, in order to ensure that the measure complies with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.

The State Aid schemes have an equivalent binding nature to the call for proposals and apply to all projects. Consequently, this is a minimal formal deviation that does not change the substance of the requirement. Both the State Aid schemes (Article 5(6) for both tenders’ schemes) and the applicants’ guidelines (Section 1.3), which together form the terms of reference for the calls, ensure compliance with the DNSH Technical Guidance (2021/C58/01) by excluding from the eligible applicants the selected activities:

- a) fossil fuel-related activities, including downstream use (excluding projects for electricity and/or heat generation, as well as related natural gas transmission and distribution infrastructure, which comply with the conditions set out in Annex III of the DNSH Technical Guidance);
- b) activities under the EU Emissions Trading System (ETS) with expected greenhouse gas emissions that are not lower than the relevant benchmarks (in the applicants’ guideline and the state aid schemes it is specified that where the supported activity results in expected greenhouse gas emissions are not significantly lower than the relevant benchmarks, an explanation of why this is not possible should be provided). Benchmark values are established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447;
- c) activities related to landfills and incinerators. In line with the Council Implementing Decision Annex, this exclusion does not apply to installations exclusively intended for the treatment of non-recyclable hazardous waste; it also does not apply to existing installations that, with the fund, could increase energy efficiency, reduce emissions, use or recovering materials from incineration ash. In this case, however, the investment should not lead to an increase in the plants’ capacity to process waste or to an extension of the lifetime of the installations;
- d) activities related to mechanical biological waste treatment facilities. In line with the Council Implementing Decision Annex, this exclusion does not apply if the facilities are existing mechanical biological treatment plants, and the fund would help them increase energy efficiency or retrofit operations for recycling separated waste to compost bio-waste and anaerobic digestion of bio-waste. In this case, however, the investment should not lead to an increase of the plants’ capacity to process waste or in an extension of the lifetime of the plants; for which evidence is provided at plant level;

e) activities where the long-term disposal of waste can harm the environment.

Section 2.2 of the applicants' guidelines, that includes the selection criteria, states that on top of the DNSH technical guidance, projects must comply with the relevant EU and national environmental legislation. The applicant's guidelines have an equivalent binding nature to the call for proposals and apply to all projects. Consequently, this is a minimal formal deviation that does not change the substance of the requirement.

Finally, the applicants' guidelines indicate that applicants must fill in a self-declaration of compliance with the DNSH technical guidance and criteria, that is then part of the eligibility check carried out by the Ministry of Energy. The self-declaration is attached to the applicants' guidelines (Annex 4).

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 189 | Related Measure: Schemes to upskill/reskill employees in firms |
| Name of the Milestone: Launch of the call for "Grant Support for Digital Skills" | |
| Qualitative Indicator: Publication of the call | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone #189 is part of investment C7.I19, which aims to support the digital transformation of small and medium-sized enterprises (hereinafter referred to as "SMEs") by increasing the digital skills of their employees. Milestone #189 involves the launch of the call for grants for supporting SMEs in training for digital skills such as digital tools and equipment, strengthening digital skills, including skills related to cloud technologies, and technologies specific to Industry 4.0.</p> <p>This milestone is the first step in the implementation of investment C7.I19 and will be followed by target #190 on the number of SMEs financed for training their staff in digital skills. Expected date of implementation of the investment is last quarter of 2025.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, including justification that the technical specifications of the call are fully aligned with the description, criteria and conditions as set out in the milestone and of the description of the investment in the Annex to the Council Implementing Decision; ii) Copy of the publication of the call published on 21 February 2023 <ul style="list-style-type: none"> a. Link to the publication: https://www.adr.gov.ro/autoritatea-pentru-digitalizarea-romaniei-anunta-lansarea-cererii-de-propuneri-pentru-sprijin-sub-forma-de-granturi-pentru-competente-digitale-aferent-investitiei-i19-sche/ <p>The authorities also provided:</p> <ul style="list-style-type: none"> iii) Ministerial Order No.21195 including publication of the call published on 5 August 2022 for selecting The Romanian Digitalization Authority (ADR) as the sub-administrator of the minimis aid scheme; iv) Ministerial Order No. 20.953 including the publication of the approval of the minimis aid scheme on 2 August 2022; v) Financing contract No. 4241_2022 of 16 December 2022; vi) Amendment of 21 February 2023 to financing contract No. 4241_2022; vii) Notification OIPSI 2_C7_PNRR/nM/r/21.02.2023 confirming approval of amendment by ADR | |

on 21 February 2023;
viii) Decision No 198/21.02.2023 for the approval of the methodology for proposals for “Support in the form of grants for digital skills”.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

Call for grants for supporting SMEs in training for digital skills such as digital tools and equipment, strengthening digital skills, including skills related to cloud technologies, and technologies specific to Industry 4.0.

The Guide for Applicants was approved by Ministerial Order No.21195 on 5 August 2022 and the call was published on the same day. The Guide for Applicants associated with the call states that the Romanian Digitalization Authority (hereinafter referred to as “ADR”) is the only eligible applicant. The specific objective of the non-competitive call, set out on pages 5 and 6 of the Guide for Applicants, is to improve the skills of Romanian SMEs in key technical areas such as the internet of things, cloud technologies, big data, machine learning, artificial intelligence, automation of blockchain, robotic processed and cyber-physical systems, technologies specific to Industry 4.0.

The Ministry of Research, Innovation and Digitalisation (MCID) launched the non-competitive call on 05.08.2022, for selecting ADR as the sub-administrator of the minimis aid scheme. After the approval of ADR application, the financing agreement No. 4241 was signed on 16 December 2022. The methodology for SMEs selection was approved by the Decision of the ADR President No. 198 on 21 February 2023.

Consequently, ADR launched the call for grants for supporting SMEs in training for digital skills on 21 February 2023, on the official RRP platform (proiecte.pnrr.gov.ro), which will remain open for SMEs to submit their financial support request until 29 December 2023. The estimated date for finalising the evaluation, selection, and contracts closing process is 29 March 2024.

According to page 5 and 6 of the call launched by ADR covers training for digital skills such as digital tools and equipment, strengthening digital skills, including skills related to cloud technologies, and technologies specific to Industry 4.0.

The justification and substantiating evidence provided by the Romanian authorities also cover the relevant constitutive elements in the description of the measure.

Furthermore, in line with the description of the measure:

The objective of this investment is to support the digital transformation of small and medium sized enterprises by increasing the digital skills of their employees.

Pages 5 and 6 of the Guide for Applicants include the objective of supporting the digital transformation of SMEs by increasing the digital skills of their employees in key technical areas such as the internet of things, cloud technologies, big data, machine learning, artificial intelligence, automation of blockchain, robotic processed and cyber-physical systems, technologies specific to Industry 4.0. Guide for applicants envisages that the digital skills will be increased benefitting in at least 2000 SMEs which is the number of SMEs financed by this support scheme.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 256 | Related Measure: Financial instruments for the private sector - Fund for digitalisation, climate action, and other areas of interest |
| Name of the Milestone: Establishment of the financial instrument (“the Fund”), and adoption of the investment policy of the Fund | |
| Qualitative Indicator: Agreement signed | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone #256 is part of investment C9.I2d, the Fund for digitalisation, climate action, and other areas of interest (hereinafter referred to as “the Fund”). The Fund aims at supporting large companies, public entities, and Special Purpose Vehicles to invest in the low-carbon economy, digitalisation and fixed assets, thereby growing and creating new employment opportunities, while supporting the wider economic recovery. The Fund will take the form of a Fund of Funds and will be managed by the European Investment Bank.</p> <p>Milestone #256 consists of the signature of the financing agreement between the European Investment Bank and the Government of Romania for the establishment of the Fund and the implementation of the investment C9.I2d.</p> <p>Milestone #256 is the first step in the implementation of the sub-investment and will be followed by targets #257 and #258 to disburse resources for at least 30% of targeted final recipients by Q4 2024 and the rest by Q2 2026. The investment has a final expected date for implementation in 30 June 2026.</p> | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. ii) A copy of the signed financing agreement of 31 March 2022 between the Government of Romania, represented by the Ministry of Investment and European Projects, and the European Investment Bank on the Fund for the Digitalisation, Climate Action and other focus areas, financed under the National Recovery and Resilience Plan of Romania, hereinafter referred to as “the financing agreement”, which in its annexes include: <ul style="list-style-type: none"> a) the selection criteria that ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), as specified in the Council Implementing Decision Annex; b) the selection criteria that ensure that the amounts contributing to climate change and digital objectives specified in the Council Implementing Decision Annex shall be achieved, in line with Annexes VI and VII of the Recovery and Resilience Facility Regulation (EU) 2021/241. <p>The authorities also provided:</p> <ul style="list-style-type: none"> iii) Government Decision No. 720 of 2 June 2022, published on the Official Journal no. 562 of 9 June 2022, approving the financing agreement between the Government of Romania, represented by the Ministry of Investment and European Projects, and the European Investment Bank on the Fund for the Digitisation, Climate Action and Other Areas of Interest, financed under the National Recovery and Resilience Plan of Romania; iv) Memorandum approving the negotiation and signature of the financing agreement between the Romanian Government represented by the Ministry of Investment and | |

European Projects and the European Investment Bank on the Fund of Funds for Digitisation, Climate Action and Other Areas of Interest, financed by the National Recovery and Resilience Plan of Romania. The Memorandum was endorsed by the Ministry of Investment and European Projects and the Ministry of Finance, approved at the Government meeting of 30 March 2022 and signed by the Prime Minister of Romania;

- v) Memorandum of Understanding between the Ministry of Investment and European Projects and the Ministry of Finance concerning the establishment of the Investment Committee;
- vi) Order no. 1789/1784/2022, published on the Official Journal no. 780 of 5 August 2022, of the Minister of Investment and European Projects and the Ministry of Finance establishing the Investment Committee for the Fund for Digitization, Climate Action and Other Areas of Interest;
- vii) Order no. 1141/1194/2023, published on the Official Journal no. 255 of 28 March 2023, of the Minister of Investment and European Projects and the Ministry of Finance to amend the Annex of Order no. 1789/1784/2022 establishing the Investment Committee for the Fund for Digitization, Climate Action and Other Areas of Interest;
- viii) Order no. 418 of 2 March 2023 of the Minister of Investment and European Funds concerning the organization and functioning rules within the Ministry of Investment and European Projects.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone. In particular:

Signature of the financing agreement between the European Investment Bank and the Romanian Government, and adoption of the investment policy of the Fund. Furthermore in line with the description of the measure, **the support shall take the form of a Fund of Funds.**

The Ministry of Investment and European Projects and the European Investment Bank signed on 31 March 2022 a financing agreement to establish the Fund of Funds for the Digitalisation, Climate Action and other areas of interest (hereinafter, “the financing agreement”) The investment policy (also referred to as “investment strategy” in the official documents) of the Fund is part of the financing agreement (Appendix A) and was adopted with the signature of the latter.

[The investment policy of the Fund] shall be adopted by the governing bodies of the financial instrument.

The Ministry of Investment and European Projects designates the European Investment Bank as its trustee to administer the amounts made available under the financing agreement in the form of a Fund of Funds (‘FdF’) structure. On this basis, the European Investment Bank will deploy two products of financial instruments: a direct lending product and an intermediated product (page 3, point 5 of the financing agreement).

The governing bodies of the Fund are the Ministry of Investment and European Projects and the European Investment Bank. The Ministry is responsible for the alignment of the investment policy with all the conditions and requirements of the recovery and resilience plan (hereinafter referred to as “RRP”) applicable to financial instruments, and the compliance with the policy objectives of the RRP (Clause 11.4 of the financing agreement). The Ministry delegates to the European Investment Bank the implementation of the investment strategy and delivery of the business plan (Clause 2.2 of the financing agreement). By signing the financing agreement, the governing bodies of the Fund adopted the investment policy (financing agreement, Appendix A).

[The investment policy of the Fund] shall be in line with Commission’s Guidance Note of 22 January 2021 (SWD(2021) 12 final) related to financial instruments;

The sub-investment is in line with Commission's Guidance Note of 22 January 2021 (SWD(2021)12 final), which for financial instruments focuses on the "State Aid dimension of the measure", "mechanisms for monitoring and reporting" and "calculation of the loss distribution". In detail:

- i) On the "State Aid dimension of the measure", according to the financing agreement (Annex 1 Section 4 for direct lending product, and Annex 2 Section 5 for the intermediated product), the Ministry of Investment and European Projects is responsible for ensuring compliance of the Fund with applicable State Aid rules; the European Investment Bank will request from financial intermediaries to comply with State Aid requirements through contractual obligations. Any investment agreement concluded by financial intermediaries will include a commitment by the final recipient to comply with State Aid rules.
- ii) for the "mechanisms for monitoring and reporting", the financing agreement tasks the European Investment Bank with monitoring the implementation of the Fund in accordance with criteria set out in Appendix G (Annex 1 Section 5 for the direct lending product, and Annex 2 Section 6 for the intermediated product). The European Investment Bank will periodically report to the Ministry of Investment and European Projects and the Investment Board on the activities carried out through both products, as described in Appendix G of the financing agreement (in particular, Article 1.2).
- iii) Concerning the "calculation of the loss distribution", Appendix A and Appendix H of the financing agreement specify that, for the intermediated product, the European Investment Bank will determine a guarantee rate (that is, the maximum portion of the value of each loan covered by the guarantee) for each transaction following due diligence of the eligible financial intermediary. For the targeted portfolio, the European Investment Bank expects a guarantee rate amounting to 80%; the financial intermediary would therefore be required to retain the remaining 20% of the risk. For each individual transaction, the guarantee is moreover capped at a rate that is established following the due diligence process of the eligible financial intermediary. In any case, the cap rate will not exceed 20%. For the direct lending product, instead, the cash collateral rate for each loan will be set on a loan-by-loan basis and following the due diligence process of the eligible project. The cash collateral rate would in any case not exceed 35% of the amount of European Investment Bank loan.

[The investment policy of the Fund] shall include selection criteria to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) of supported transactions under this measure through the use of sustainability proofing, an exclusion list, and the requirement of compliance with the relevant EU and national environmental legislation. Furthermore, in line with the description of the measure, in order to ensure that the sub-investment complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the financing agreement between the Romanian Government and the EIB, and the subsequent investment policy of the financial instrument shall - exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use; (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities and assets where the long-term disposal of waste may cause harm to the environment.

The financing agreement includes selection criteria ensuring compliance of the selected transactions (supported by the financial instruments) with the "Do no significant harm" Technical Guidance (2021/C58/01). Section 3 of the investment policy (financing agreement, appendix A) requires all eligible projects:

- i) to comply with the 'Do no significant harm' as defined in Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, and further detailed in the Commission's Technical guidance on the application of 'Do no significant harm' under the Recovery and Resilience Facility Regulation 2021/C58/01 (financing

agreement, Appendix A, section 3, page 12);

- ii) to use sustainability proofing by applying the Commission’s technical guidance on sustainability proofing for the InvestEU Fund (financing agreement, Appendix A, section 3, page 12);
- iii) to comply with the relevant EU and national environmental legislation;
- iv) to exclude from eligibility: activities related to fossil fuels, including downstream use; activities under the EU Emission Trading System achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; activities related to waste landfills, incinerators and mechanical biological treatment plants; activities where the long-term disposal of waste may cause harm to the environment (such as, nuclear waste) (financing agreement, Appendix A, section 3, page 12).

The EIB will verify that financial intermediaries and final beneficiaries comply with the above provisions (financing agreement, Appendix G, section 2, page 16).

A list of the excluded activities is included in Annex 1 of the investment strategy (Appendix A). The list is exhaustive and in line with the requirements in the Council Implementing Decision Annex.

[The investment policy of the Fund] shall include a commitment to invest at least 33% of the funds to support the climate transition and 16% of the funds to support the digital transition, using the methodology in Annexes VI and VII of the RRF Regulation. [...] The amount allocated to climate-related intervention fields, in line with annex VI of the RRF regulation, shall be EUR 100m. The amount allocated to digitalisation-related intervention fields, in line with annex VII of the RRF Regulation, shall be EUR 50 million. The Fund may also include further climate and digitalisation related expenditure.

The investment strategy (Appendix A of the financing agreement, Section 3) indicates that at least 33% of the resources allocated to the Fund (EUR 100 million) should be invested in climate-related investment activity, as defined by intervention fields in Annex VI of the RRF Regulation; at the same time, 16% of the resources allocated to the Fund (EUR 50 million) should be invested in digitalisation-related investment activities, as identified in Annex VII of the RRF Regulation. The use of the expression “at least” indicates that the Fund may also include further climate and digitalisation related expenditure.

The Fund shall provide financial instruments (debt) support for at least 25 large companies (with more than 500 employees and/or an annual turnover exceeding EUR 50m and an annual balance sheet total exceeding EUR 43m), public entities and Special Purpose Vehicles, through investments contributing to the low-carbon economy, as well as investments in digitalisation and fixed assets, with the aim of encouraging a greater amount of investment contributing to climate and digital objectives by the target companies and also encouraging the growth and expansion of the companies, in turn creating new employment opportunities and supporting the wider economic recovery.

The investment strategy (Appendix A, Section 7) indicates that the target of the instrument will be at least 25 large mid-caps (that is, by EU definition, companies with an annual turnover exceeding EUR 50 million and annual balance sheet exceeding EUR 43 million), large corporates (with more than 500 employees), and small municipalities (with less than 100 000 inhabitants). Special Purpose Vehicles are listed as potential financial intermediaries “selected by the European Investment Bank in accordance with” the financing agreement for the implementation of the intermediated part of the instrument (Common provisions, section 1.1).

At the core of the investment strategy (Appendix A, Section 1) is the intention of the fund to promote investments contributing to the low-carbon economy, digitalisation and fixed assets, thereby contributing to climate and digital objectives, and encouraging the growth and expansion of

companies through a broader access to finance – which would then create benefits to the rest of the economy and support a wider recovery. The aim is to encourage a greater amount of investment contributing to climate and digital objectives by the target companies. According to the investment strategy, at least 33% of financial resources should be allocated to support the green transition and 16% of the funds to support the digital transition.

The management of the Fund shall be entrusted to the European Investment Bank (EIB).

Through the financing agreement (Section 2, Clauses 2.1 and 2.2), the Ministry of European Funds and Investment appoints the European Investment Bank as the implementing partner in charge of the management of the Fund.

An Investment Committee shall be established including independent experts, and be responsible for approving the grant-related components of the projects of final recipients (investees) as proposed by the fund manager (EIB) based on market needs and in an open and market conform way.

The investment committee (also referred to as ‘Investment Board’) was established on 5 August 2022 by Order no. 1789/1784/2022, which was further amended by Order no. 1141/1194/2023, and it comprises ten members: five appointed by the Ministry of Investment and European Projects, two by the Ministry of Finance, one member appointed by the National Credit Guarantee Fund for Small and Medium Enterprises (FNGCMM) and two independent experts (the president of the Bucharest Stock Exchange and a board member of the Investors Compensation Fund). According to the financing agreement (section 6), the Investment Board monitors and supervises the implementation of the Investment Strategy and Business Plan in accordance with the provisions of the Agreement. Upon proposal of the European Investment Bank, the Investment Board decides to approve or reject proposals (Clause 6.9). The Investment Board has the responsibility to approve the grant-related components of the projects of final recipients as per the CID requirements (page 3 of the Memorandum for the nominalization of the members of the Investment Committee).

The Fund manager will propose an investment strategy which is to be approved by the Investment Committee and implemented as such. The structure and governance of the investment strategy is based on market needs and in an open and market-conform way. As stated in clause 6.10, the European Investment Bank will have the exclusive right to take any decisions necessary to carry out the Fund’s activity and to make proposals to the investment committee. The European Commission services will monitor that the instrument is market-based through regular meetings with the Ministry of European Investments and Projects and the European Investment Bank throughout the implementation of the plan.

The structure of the Fund shall enable to leverage private funds.

The structure of the instrument enables to leverage private funds. The Fund will provide unfunded guarantees backed by RRF resources to selected Financial Intermediaries, in order to ensure better access to finance, improve financing conditions, facilitate new loans by Financial Intermediaries for projects that might have been too risky without the guarantee, and ensure a high leverage effect for the use of RRF funds. Under the Direct Lending Product, the amount of investment mobilized is expected to be between EUR 0.77bn and EUR 1.3bn depending on the share of the investments to be covered by the guaranteed European Investment Bank loans. The estimated leverage effect of RRF funds will therefore range between 5.1 and 9. Under the Intermediated Product, the amount of investment mobilised is expected to be up to EUR 840m based on a multiplier of 6.25 and assuming full utilisation (financing agreement, Appendix A, Section 8).

Any returns to the Fund or financial instruments, including from repayments, as well as profits obtained through the use of RRF funds, less the remuneration of the fund manager and the financial intermediaries, shall be used for the same policy goals, including after 2026.

The financing agreement specifies in Appendix A, Section 10 that the returns to the Fund (less the remuneration of the fund manager and the financial intermediaries) shall be reinvested to pursue the same policy goals, with the effect of such provisions extending after 2026.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 262 | Related Measure: Investment 3.1 Private sector aid schemes – Aid schemes for the digitalisation of SMEs | |
| Name of the Milestone: Selection of the scheme administrator | | |
| Qualitative Indicator: Communication of selection | | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone #262 is part of sub-investment 3.1 Private sector aid schemes – Aid scheme for digitalization of SMEs. The objective of this sub-investment is to support the digitalization of small and medium sized enterprises (SMEs) to enhance their competitiveness, innovation, and facilitating new working patterns.</p> <p>Milestone #262 requires the selection of a scheme administrator to implement the de minimis scheme (launching the call, assessing contracting and monitoring projects).</p> <p>Milestone #262 is the first step of the implementation of sub-investment 3.1 and it will be followed by target #263, the signature of 5492 financing contracts with enterprises by Q2 2024. The sub-investment has a final expected date for implementation on 30 June 2024.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) A cover note justifying how the milestone was satisfactorily fulfilled; ii) Note No. 3822/15 September 2022 approved by the Minister for Investment and European Projects on the selection of administrators of State aid and de minimis schemes under Investment 3.1 Private Sector Aid Schemes — Aid scheme for the digitisation of SMEs and under Investment 3.2 De minimis scheme to assist Romanian firms in listing on the stock exchange Component 9. Business support, research, development and innovation, Pillar III. Smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs under the National Recovery and Resilience Plan of Romania. <p>The authorities also provided:</p> <ul style="list-style-type: none"> i) Government Decision No. 506, amending and supplementing Government Decision No 52/2018 on the organisation and functioning of the Ministry of European Funds, published in the Official Journal on 23 May 2022. ii) Order no. 418 of 2 March 2023 of the Minister of Investment and European Funds concerning the organization and functioning rules within the Ministry of Investment and European Projects. | | |
| <p>Analysis:</p> <p>The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.</p> | | |

Selection of scheme manager who shall implement the de minimis scheme (launching the call, assessing contracts and monitoring projects). Furthermore, in line with the description of the measure, **for the implementation, the Ministry of Investment and European Projects shall launch the guidelines for the calls for projects and shall delegate the monitoring of the projects to an administrator on the basis of a delegated act.**

The Government Decision No. 678, published on 23 May 2022, established the Directorate General for the implementation of National Recovery and Resilience Plan and financial instruments (hereinafter referred to as “DGIPNRRIF”), part of the Ministry of Investment and European Projects, which has a coordinating role of several reforms and investments (including measure C9.I3, as a state aid provider).

For the implementation of the de minimis scheme (launching the call, assessing contracts and monitoring projects), the Ministry of Investment and European Projects should delegate the monitoring of the projects to an administrator on the basis of a delegated act. To that end, the Ministry approved the “Note No. 3822 / 2022 on the selection of administrators of State aid and de minimis schemes under Investment 3.1 Private Sector Aid Schemes — Aid scheme for the digitisation of SMEs and under Investment 3.2 De minimis scheme to assist Romanian firms in listing on the stock exchange, Component 9. Business support, research, development and innovation, Pillar III. Smart, sustainable and inclusive growth, including economic cohesion, jobs, productivity, competitiveness, research, development and innovation, and a well-functioning internal market with strong SMEs under the National Recovery and Resilience Plan of Romania”. The Note No. 3822 / 2022 selects the Ministry of Investment and European Projects (the Monitoring Unit, part of DGIPNRRIF) as the responsible administrator of the scheme supporting the creation and adoption of digital technologies by SMEs and ensuring the implementation of investments 3.1 (launching the call, assessing contracting and monitoring projects). The Ministry selects an administrator for the scheme on the basis of its role as general coordinator for the implementation of the RRP. However, the selection of a different Directorate in the same institution builds on the already existing expertise in the Ministry on setting up and managing financial instruments financed by EU funds.

The Ministry of Investment and European Projects has delegated the administration of the scheme to the Monitoring Unit (part of DGIPNRRIF) on the basis of a ministerial note (Note No. 3822/2022) which, within the Romanian legal framework, constitutes a delegated act. The Ministerial Note clearly indicates on page 8 that the Monitoring Unit is empowered to monitor the relevant projects. Additionally, Articles 118 and 119 of the Annex of the Ministerial Order No. 418 of 02 March 2023 confirms the fact that DGIPNRRIF ensures the implementation of Investment 3.1 Private sector aid schemes – Aid scheme for the digitalisation of SMEs, which this milestone represents.

Communication of selection

MIPE has published on its website the approved rules for organization and functioning of the Ministry based on Ministerial Order No. 418 of 02 March 2023. According to the provisions of Article 119, the rules of organization and functioning of the Ministry sets that the Directorate for implementing RRP investments ensures the implementation of Investment 3.1 Private sector aid scheme – Aid scheme for the digitalization of SMEs, as a scheme manager.

Furthermore, in line with the description of the measure, **the Ministry shall ensure that an effective management and control system is implemented at administrator level and shall be able to take corrective action whenever necessary, including by performing sample checks at SME level, while the administrator shall monitor and report regularly on the progress of the project implementation in accordance with all the respective conditions**

The Ministry of Investment and European Funds ensures an effective management and control system through the Note no. 3822/2022. According to the pages 5 and 8 of the Note , the Programming, Evaluation and Contracting Unit, part of DGIPNRRIF, acts as a state aid provider, in

charge of: designing the state aid scheme and the applicant's guide, project evaluation and contracting, monitoring the management and control system, launching the guidelines for the calls for projects, modifying the management and control system in case dysfunctions were identified, taking corrective actions whenever necessary, including by performing sample checks at SME level.

The Monitoring Unit, part of DGIPNRRIF (66 head counts), is the administrator of the state aid scheme, with the following structure and responsibilities (page 8):

- Technical Monitoring Unit in charge of project monitoring (fulfilment of project objectives and achievement of project indicators) and verifying the compliance with state aid requirements,
- Control and irregularities/fraud unit in charge of implementing the management and control system,
- Financial Monitoring and Payments Unit in charge of payments verifications,
- Debt Recovery Unit in charge of recovery of outstanding amounts in case of irregularities/fraud.

Furthermore, the Note No. 3822/2022 (page 8) specifies that the Administrator (the Monitoring Unit) will report on a monthly basis the progress of project implementation to the state aid provider (Programming, Evaluation and Contracting Unit). This report includes information referring to the achievement of project objectives and project indicators, verification and compliance with state aid requirements, verification of payments, recovery of outstanding amounts due to irregularities/fraud.

The project selection criteria shall ensure:

Commitment to invest 100% of the funds to support the digital transition, complying with investment fields 010, 012, 021quarter, and 021quinquies of Annex VII to the RRF Regulation. Furthermore, in line with the description of the measure, **all the investments shall comply with the selection criteria of the following intervention fields presented in Annex VII to the Regulation (EU) 2021/241: 021quarter (EUR 130 million), 021 quinquies (allocation of EUR 20 million), 010 (allocation of EUR 315 million), 012 (allocation of EUR 35 million)**

Section 2.3 of the Note No. 3822/2022 (page 9), which sets out the project selection criteria, explains that 99.5% of the earmarked funds (EUR 500 million) will be invested in supporting the digital transition of SMEs. In particular, according to page 9 of the Note, the funds will be allocated in compliance with intervention field 010 (allocation of EUR 315 million), 012 (EUR 35 million), 021quarter (EUR 130 million) and 021quinquies (EUR 20 million) of Annex VII to the RRF Regulation referring to the Methodology for digital tagging under the Facility.

The Council Implementing Decision Annex required a commitment to invest 100% of the funds to support the digital transition. According to the Note No. 3822 / 2022, out of EUR 500 million, an amount of EUR 2.5 million is allocated for technical assistance activities. These activities are: task automation, digitalization of project evaluation and contracting processes, training for civil servants to use the new digital technologies, providing external evaluators for advanced technology projects, independent DNSH experts, technical assistance to design the applicants' guide, hardware equipment used for projects' monitoring, cybersecurity solutions, remote projects monitoring. Whilst this constitutes a minimal numerical deviation of 0.5% from the requirement of the Council Implementing Decision, the overall objective of Milestone #262 is considered met notwithstanding this minor deviation. On this basis, it is considered that this constitutive element of Milestone #262 is satisfactorily fulfilled.

Compliance to the 'Do no significant harm' Technical Guidance (2021/C58/01).

According to page 24 of the Note No. 3822/2022, Ministry of Investment and European Projects will ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01). In addition,

Annex 1 of the Note No. 3822/2022 (pages 25-29) specifies the ineligible activities for financing under sub-investment 3.1.

When submitting the application for financing agreement, the business plan shall present any potential risks that may arise for the environment and what are the methods of addressing them. Furthermore, in line with the description of the measure, **in order to ensure compliance with the Do No Significant Harm Technical Guidance (2021/C58/01), applicants shall present any potential risks to the environment arising from their activities and their methods for mitigating those risks.**

According to page 9 of the Note No. 3822/2022 and page 29 of its Annex, all applicants shall present any potential risks to the environment arising from their activities and their methods for mitigating those risks.

Furthermore, in line with the description of the measure, **compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) shall be certified by an independent auditor at the end of the investment period.**

In line with the Council Implementing Decision description, the Annex 1 of the Note No. 3822/2022 (page 29) specifies that an independent auditor shall certify the compliance with the ‘Do no significant harm’ principle at the end of the investment period.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 266 | Related Measure: Cross border and multi-country projects – Low Power Processors and Semiconductor Chips | |
| Name of the Milestone: 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 in a multi-country project | | |
| Qualitative Indicator: Provision in the law indicating the entry into force | | Time: Q2 2022 |
| Context | | |
| <p>The measure C9.I4 aims to contribute to the digital transformation by supporting the microelectronics sector in Romania. The focus of the investment is on skills development, protection of intellectual property rights, and coordination with EU-level capabilities. This is to be achieved in particular through participation in the multi-country project of Low Power Processors and Semiconductor Chips, expected to be implemented as an Important Project of Common European Interest, hereinafter referred to as “IPCEI”.</p> <p>Milestone #266 consists of a Government Decision to allocate the funding and establishing the regulatory framework for this project.</p> <p>Milestone #266 is the first step of the implementation of the investment, and will be followed by targets #267 and #268, related to the selection of 10 participating entities and the participation of at least three entities in calls for projects by the Joint Undertaking of Essential Digital Technologies. This is to be followed by target #269, related to the signature of contracts for at least 50% of the companies selected. The investment has a final expected date for implementation in Q3 2023.</p> | | |
| Evidence provided: | | |
| In line with the verification mechanism set out in the Operational Arrangements, the following | | |

evidence was provided:

- i) Cover note duly justifying how the milestone was satisfactorily fulfilled;
- ii) Copy of the Government Decision No. 856/2022 on the approval of the Programme for financial support from non-repayable external funds for projects financed under Component C9. Support to the private sector, research, development and innovation, Investment 4. Cross-border and multi-country projects – Low energy processes and semiconductor chips (*Hotărâre privind aprobarea Programului pentru acordarea de sprijin financiar din fonduri externe nerambursabile pentru proiectele care se finanțează din cadrul Componentei C9. Suport pentru sectorul privat, cercetare, dezvoltare și inovare, Investiția 4. Proiecte transfrontaliere și multinaționale — Procesoare cu consum redus de energie și cipuri semiconductoare, finanțate prin Mecanismul de redresare și reziliență*) published in the Official Journal No. 676 of 6 July 2022, hereinafter referred to as “the Government Decision”.

The authorities also provided:

- i) Memorandum of understanding no. 359 on mandate from the Ministry of Investment and European Projects to the Ministry of Economy, as the national public authority responsible for industrial policies, to complete all the technical steps in terms of pre-notification, namely the notification of State aid to support Romania’s participation in cross-border and multi-country projects – Low energy and semiconductor chips, approved at the Government meeting of 22 December 2021 and signed by the Prime Minister of Romania;
- ii) Order of the Minister of Economic Affairs no. 28 of 14 January 2022 approving the methodology for the pre-selection of potential direct and indirect participants in the Important of Common European Interest in Microelectronics and Communication Technology Project, together with the methodology, published in the Official Journal No. 73 of 25 January 2022;
- iii) Evidence for notification for direct participants of the IPCEI on Microelectronics and Communication Technology Romania to the European Commission in the SANI2 system (SA.101192) of 21 December 2021.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

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.

The Government Decision No. 856/2022 on the approval of the Programme for financial support from non-repayable external funds for projects financed under Component C9. Support to the private sector, research, development and innovation, Investment 4. Cross-border and multi-country projects – Low energy processes and semiconductor chips (hereinafter referred to as “Government Decision”) was published in the Official Journal No. 676 of 6 July 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

The Government Decision in Article 1 approves the programme for financial support through grants under investment 4 of Component 9 of the National Recovery and Resilience Plan, which is dedicated to support the scale-up of national capabilities. In Article 6(1) it states that the Government decision allocates for this purpose 500 million euros, in line with the National Recovery and Resilience Plan, while Article 6(4)(a) states that participants may submit projects until first industrial use. Participation or association in a multi-country project is planned to be implemented as an Important Project of Common European Interest (IPCEI) on microelectronics.

The Government Decision shall establish the regulatory framework indicating the procedures and deadlines for submitting projects, [...]

The selection process for the beneficiaries under the scheme has two phases: the first phase concerns the pre-selection of direct and indirect participants based on submitted applications. The pre-selected projects are then notified to the European Commission's department for competition (DG COMP) to ensure their compliance with state aid requirements. The second phase is the final selection of the beneficiaries once the outcome of DG COMP evaluation has been received.

The pre-selection procedures and criteria for submitting projects in the first phase is regulated by Order of the Minister of Economy No. 28 of 14 January 2022. Article 4(1) of the methodology annexed to this Order specifies the procedure for submitting projects. In particular, it specifies that participants' applications should be drafted in English, should be submitted to a dedicated e-mail address, and should be transmitted by digital signature and in editable format, while also establishing a deadline of 7 February 2022.

The Council Implementing Decision required that procedures and deadlines for submitting projects are stipulated a Government Decision. In accordance with the Romanian legal practice, a call for applications is organised generally through the responsible ministry which will also evaluate the projects and not under the form of a joint decision by the Government. Therefore, procedures and deadlines for submitting projects to the Government are laid down in an Order of the Minister of Economy no. 28 of 14 January 2022. The Order makes the application conditional on the presence of a Government Decision as specified in Article 10: "The decision to designate the direct and/or indirect participant shall be provisional. The final decision is issued in accordance with the decision of the European Commission on IPCEI ME/CT and, subsequently, in accordance with the Government Decision on Romania's participation in IPCEI ME/CT, as well as the allocation of funds reserved in the National Recovery and Resilience Plan". This is in line with the contextual and purposive interpretation of the Council Implementing Decision provisions. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The second phase is regulated by the Government Decision. Article 2 of the Government Decision defines the relevant terms for application for both direct and indirect participants. Article 3 sets out the obligations of the different actors, including the investment coordinator, the single point of contact, and the state aid administrator. Article 10 sets out that "within 90 days of the formal receipt of the outcome of the evaluation by DG COMP for direct participants, the Ministry of Investment and European Projects and the Ministry of Economy shall start the procedure for the selection and contracting of projects" and that the same timeframe applies for the contracting of sub-projects.

The Government Decision shall establish [...] as well as the eligibility criteria and requirements for the potential beneficiaries, [...]

Article 7 of the Government Decision defines the eligibility criteria and requirements for the potential beneficiaries for direct participants as “those laid down in point 3 of the Commission’s Communication – Criteria for analysing the compatibility with the internal market of state aid intended to promote the implementation of important projects of common European interest (2021/C 528 /02)”. In addition, direct participants are required to demonstrate availability of co-financing, “ownership, administration or concession right of the land and, where applicable, the ownership, concession, administration or lease of the building where the investment is implemented”, commit to participate in at least one call for projects under a dedicated Horizon Europe call (Chips JU), and follow application instructions from the ministries coordinating the programme.

This is complemented in Article 8(2) with the eligibility criteria for indirect participants and requirements for the potential beneficiaries within the IPCEI, which in particular must be nominated by the direct participant and must have a sub-project that contributes to the direct participant’s project objective.

Article 8(2) section c) further establishes that the indirect participant must “provide evidence that the sub-project complies with the ‘do no significant harm’ principle within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088”.

Indirect participants are also required to demonstrate ownership, concession or lease of the relevant land and buildings and follow application instructions from the ministries coordinating the programme.

The Government Decision shall [...] also set a budget allocation of EUR 500 million.

The Government Decision states in Article 6(1) that “the budget allocated to IPCEIs, according to the National Recovery and Resilience Plan, is 500 million euros”. It specifies that this is specifically for financing projects of direct participants assessed positively for state aid compliance and for the sub-projects of indirect participants identified by the direct participants.

Additional information shall be set in accordance to other participating Member States to these projects.

The Government Decision establishes in Article 3(2) that “as a single point of contact [...], the Ministry of Economy shall contribute to the preparation of IPCEI strategic documents, coordinate its work with the Member States participating in IPCEIs and in accordance with the timetable agreed jointly with them”, allowing for contact and information sharing with other already participating Member States to these projects.

The multi-country project Low Power Processors and Semiconductor Chips is expected to be implemented mainly through participation or association to a planned Important Project of Common European Interest.

The overall objective of the Government Decision in setting up a regulatory framework, eligibility criteria, and budget allocation for the IPCEI to establish the framework for participation in a multi-country project, which is planned to be implemented as an IPCEI) on microelectronics. Article 4(1) specifies that IPCEI should relate to the “design, manufacture, and application of microelectronic components and systems in a coherent national ecosystem”. Article 4(3) further

specifies that this should be done through the “participation of at least 10 members of the national ecosystem in an Important Project of Common European Interest.”

Furthermore, in line with the description of the measure, **the investment consists in actions to:**

- i) structure and develop skills for the design, manufacture and application of microelectronic components and systems in a coherent national ecosystem;**
- ii) secure intellectual property and accelerating the application of advanced technologies in key areas of the national economy such as the car industry, health or precision farming, space, defence, aeronautical;**
- iii) coordinate with capabilities and needs at European level including through the participation or association of at least ten members of the national ecosystem in a multi-country project, planned to be implemented mainly as an Important Project of Common European interest (IPCEI).**

The Government Decision provides in Article 4 that it will finance projects and sub-projects that pursue objectives identical to the text of the description of the measure in the Council Implementing Decision Annex. These actions include the selection of direct and indirect participants and the allocation of EUR 500 million towards financial support for such participants that fall within the scope of the project. As per Article 5, participants need to be “companies present along the value chain of microelectronic components and systems”, which should support the structuring and developing of skills for the design, manufacture and application of microelectronic components. The provision of funding is expected to accelerate the application of advanced technologies in Article 4(b) Participation in a multi-country project is planned to be implemented as an IPCEI on microelectronics, which Article 4(c) specifies should be done in coordination with existing capabilities and needs at European level.

In this context, at least 3 Romanian entities in consortia are expected to respond to calls for projects by the Joint Undertaking of Key Digital Technologies (KDT JU).

The Government Decision specifies in Article 7 that in order to be eligible, direct participants in the IPCEI must commit to participate in at least one call for project by the KDT JU. Article 10 states that this should happen by 31 December 2022. Article 4(c) states at least 10 members are expected to participate in the IPCEI.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 307 | Related Measure: Creating the policy framework for sustainable urban transformation — Romania’s Urban Policy | |
| Name of the Milestone: Entry into force of the Metropolitan Areas Act | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the Metropolitan Areas Act | | Time: Q2 2022 |
| Context: Milestone #307 is part of reform C10.R2. The objective of the reform is to allow people living in urban areas, including people living in marginal/peripheral communities, an increased access to quality services such as mobility, housing and other public services delivered at local level. The milestone #307 concerns the entry into force of a reform laying down the legislative framework for the delivery of coordinated public services in areas where urban centres are functionally linked | | |

with peri-urban areas. The law defines the metropolitan areas based on a set of functional and urban criteria, allowing administrative units the possibility to coordinate in view of delivering public services such as mobility, housing, and spatial planning.

Milestone #307 is the first milestone of the reform. It will be followed by milestone #308 establishing the Romanian Urban Policy Framework. Both milestones are set to improve the quality of life of people living in urban areas. The reform has a final expected date for implementation in 30 June 2026.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note justifying how the milestone was satisfactorily fulfilled;
- ii) Copy of the publication in the Official Journal, Part I, Number 745/25.VII.2022 of the Law No. 246/2022.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover the constitutive elements of the milestone.

Entry into force of the Law on metropolitan areas

Law No. 246/2022 on metropolitan areas and amending certain legislative acts (hereinafter referred to as the “Metropolitan Area Law”) was published in the Official Journal, Part I, No. 745 from 25 July 2022, and entered into force on 28 July 2022, as established by Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

The Metropolitan Areas Act shall define criteria to delimit metropolitan areas and its policy competencies, namely: mobility, spatial planning, urban development, housing, and other public services delivered at local level addressing among other problems of marginal/peripheral communities, including informal settlements

The Metropolitan Area Law provides both functional and administrative-territorial criteria to delimit the territory of metropolitan areas. The functional criteria are set out in Article 4(3), specifying that a metropolitan territory is the one surrounding the municipalities which have “mutual relations of influence in the fields of communication, economic, social, cultural, and public building infrastructure”. Metropolitan areas are also subject to a set of administrative-territorial criteria such as that: (i) a metropolitan area may not go beyond the *second urban crown of a municipality* (that is the cumulative territory of the administrative-territorial units in the immediate vicinity of the *first urban crown*, defined as the administrative unit that has at least one common boundary with the core municipality); and (ii) a metropolitan area may not exceed the limit of the county to which the core municipality belongs, with the exception of the municipality of Bucharest (Article 5(4)). As a result of applying these criteria, Annex No.1 to the Metropolitan Area Law provides a list with all local administrative units which are in the composition of metropolitan areas and Annex No.2 provides a map with the metropolitan areas.

Article 10 and Chapter IV of the Metropolitan Area Law also specify the policy competencies of the metropolitan areas (depending on the mandate each metropolitan area receives from its constitutive administrative territorial units). The set of policy competences listed in the Metropolitan Area Law comply with the one included in the milestone description and refer to: (i) development of infrastructures and mobility within the metropolitan area; (ii) improvement,

modernisation and development of building infrastructure; (iii) development of education and health infrastructure; (iv) modernising, developing, interconnecting and increasing the efficiency of public services; (v) the integrated and sustainable development of the territory of all the administrative territorial units that make up the metropolitan area; (vi) the joint provision of public services of local interest; (vii) housing management and integrated approach to issues specific to vulnerable groups and marginalised communities, including informal settlements. The Metropolitan Area Law does not impose the transfer of a fixed set of policy competences, but rather leaves it for each metropolitan area association to select one, several, or all of them. The approach taken by the Metropolitan Area Law is aligned with the objective of the reform, as it promotes a bottom-up approach of local development reflecting the socio-economic reality of that territory.

As per the Article 23 of the Metropolitan Area Law, the Articles 5(qq) and 89(2) of the Administrative Code (Government Emergency Ordinance No. 57/2019) are amended to allow the creation of metropolitan areas, with the purpose of delivering local and regional development projects and of joint public services. As such, metropolitan areas' associations will support developing public infrastructure and help fulfil development objectives which are in the common interest of the local public authorities that constitutes the metropolitan areas.

The Metropolitan Areas Law shall establish a coordinating body at the level of metropolitan area to steer and supervise the implementation of policies and investments in the administrative territorial units belonging to the metropolitan area, aiming at improving connectivity, spatial planning, the development of green infrastructure and access to employment, health services and education, including for people in deprived areas/ peripheries and also to ensure increased economic opportunities for settlements in peri-urban area around urban core

The Metropolitan Areas Law establishes a coordinating body at the level of each metropolitan area to steer and supervise the implementation of policies and investments in the administrative territorial units belonging to the metropolitan area, as evidenced by Articles 12 and 13 of the Metropolitan Area Law.

The governance structure of metropolitan areas consists of several bodies, which together ensure coordination, steer, and supervision in implementing policies. The metropolitan area has a general assembly (Article 12 of the Metropolitan Area Law), which is the political arm, gathering all the mayors from the administrative territorial units. The assembly normally meets every three months, but at least once per year, at the request of the council of directors. The assembly has a coordination and steering role through decisions which are mandatory for all administrative units that have granted a mandate to the metropolitan area.

The council of directors is the executive arm of the metropolitan area (Article 13 of the Metropolitan Area Law), implements the decisions taken by the general assembly (Article 7 (2)) of the Metropolitan Area Law) regarding policies and investments in the administrative territorial units belonging to the metropolitan area (Article 16). These policies are the one referred to in Article 10 and Chapter IV of the Metropolitan Area Law. The metropolitan area equally includes a technical team (Article 15 of the Metropolitan Area Law) which is in charge of supporting the council of directors to implement its tasks.

Overall, the coordinated action of administrative territorial unites in the metropolitan area based on the governance structure set in the law, can ensure the implementation of policies delegated to the metropolitan area and support the improvement of connectivity, spatial planning, the development of green infrastructure and access to employment, health services and education, including for people in deprived areas/peripheries and to ensure increased economic opportunities for settlements in peri-urban area around urban core.

The Metropolitan Areas Law ensures a transparent and predictable framework (including criteria, methodology) to constitute the budget of each metropolitan area, based on contributions from the administrative units composing the functional urban area and, when needed, from transfers from central government by national development programs, financed annually by the state budget, based on performance criteria linked with the policy objectives pursued at the level of each metropolitan area

The Metropolitan Area Law provides a framework to constitute the budget of metropolitan areas, allowing them to support their policy objectives, which is transparent and predictable and allows access to governmental sources of funding based on performance criteria. The criteria and methodology established by that framework are the following: the metropolitan areas budget is based on contributions from the administrative units composing the metropolitan area (which is the functional urban area defined as per Article 4 of the Metropolitan Area Law). Additional possible sources of funding are (i) transfers from central government by national development programs, financed annually by the state budget (Article 19), and (ii) EU funding (Article 20). Given the public nature of these sources, these can be considered both predictable and transparent funding framework. The contribution of the administrative units is based on criteria such as surface of the territorial administrative units and the number of users/beneficiaries of public services (Article 18 and Article 7(3)). In addition, the Metropolitan Area Law introduces an exception to law No.276/2006 regarding local public finances and allows metropolitan areas to receive 5% from the income tax of persons residing in the metropolitan area. The purpose of these resources is to finance investments in the relevant metropolitan area.

The Council Implementing Decision requires that transfers from central government by national development programs, when needed, **are to be based on performance criteria linked with the policy objectives pursued at the level of each metropolitan area**. Romania indicated that the access to governmental programmes will be based on performance criteria to be established in advance (Article 19 (1)). The link with the policy objectives pursued at the level of each metropolitan area is done based on the fact that each metropolitan area, together with its administrative territorial units, will establish a development strategy for the peri-urban/metropolitan area as a planning document to support the integrated territorial planning (Article 26 of the Metropolitan Area Law) and the implementation of the metropolitan area budget. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The Metropolitan Areas Law allows for joint procurement for provision of goods and services at functional area level

Article 16(g) of the Metropolitan Areas Law provides that one of the competences of the metropolitan area associations is to organise joint public procurements for the provision of goods and services at the metropolitan area level.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 312 | Related Measure: Improving housing quality |
| Name of the Milestone: Entry into force of legislative act for the implementation of the National Housing Strategy and Action Plan to decrease severe housing deprivation | |
| Qualitative Indicator: Provision in the law indicating the entry into force of | Time: Q2 2022 |

the legislative act for the implementation of the National Housing Strategy and Action Plan to decrease severe housing deprivation

Context:

Milestone #312 is part of the measure C10.R4, which aims at reducing severe housing deprivation for vulnerable categories and groups, especially for persons in marginalised communities in urban and rural areas.

Milestone #312 requires the establishment of the strategic framework for the implementation of future measures related to social housing in Romania.

Milestone #312 is the first milestone of the reform. It will be followed by target #313 related to the reduction of the percentage of housing overcrowding and target #314 related to the reduction of the percentage of population living in informal settlements. The reform has a final expected date for implementation on 30 June 2026.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note justifying how the milestone was satisfactorily fulfilled;
- ii) Copy of the publication in the Official Journal, Part I, Number 653 bis/30.VI.2022, of the Government Decision 842/2022 on 30 June 2022, regarding the approval of the National Strategy for housing for the period 2022-2050, which includes the Strategy and the Action Plan.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities cover the constitutive elements of the milestone.

- I. Entry into force of legislative act for the implementation of the National Housing Strategy and Action Plan to decrease severe housing deprivation.** Furthermore, the milestone in the Council Implementation is further specified in the Operational Arrangements, which states that **for the purposes of this operational arrangement the entry into force of a normative act is to be considered as an equivalent qualitative indicator to the entry into force of a legislative act.**

As indicated in the further specifications of the Operational Arrangements between the European Commission and Romania, for the purposes of this milestone the entry into force of Government Decision, which is a normative act, is considered as an equivalent qualitative indicator to the entry into force of a legislative act. The Government Decision 842/2022 was published in the Official Journal on 30 June 2022 and entered into force the same day, as evidenced by the Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

- II. The legislative act shall secure the implementation of the National Housing Strategy and Action Plan in view of improving housing quality for vulnerable categories and groups decreasing severe housing deprivation, especially for persons in marginalised communities in urban and rural areas.**

Article 1 of the Government Decision 842/2022 on approving the National Housing Strategy (hereinafter referred to as “the Strategy”) approves the Strategy and its Action Plan, which is an annex to the document. The Strategy sets the institutional and financial framework to

support inclusive housing and improve the access to safe, sustainable, and affordable housing condition for all the categories of persons (Article 2) thus laying the ground to secure its implementation.

The Strategy and its Action Plan focuses on improving housing quality for vulnerable categories and groups decreasing severe housing deprivation, especially for persons in marginalised communities in urban and rural areas, especially throughout its first two pillars and the corresponding measures. The first pillar addresses the housing needs of persons from marginalised and vulnerable categories with measures to improve housing conditions including for quality housing conditions for persons in informal settlements from rural and urban areas (pages 72-74). The second pillar addresses the access to affordable housing and public services with measures to increase the supply of affordable housing (through social housing investments) and securing housing facilities for professionals in education and healthcare, especially in marginalised communities from rural and urban areas (pages 75-77).

III. The Strategy and the Action Plan shall be accompanied by a mapping of housing needs especially in marginalized communities and groups, including informal settlements, in urban and rural areas (as per the updated version of the Atlas of Marginalized Communities)

In chapter II, starting on page 38, the Strategy includes an analysis of housing needs in marginalised communities and informal settlements, based on the definition of marginalised communities in urban and rural areas (as per the updated version of the Atlas of Marginalized Communities which extends the definition of marginalised communities in urban areas to rural areas). On page 43, the Strategy displays the map of housing needs in marginalised communities and informal settlements as well as the areas where the two overlap. The analysis and the mapping are based on data collected at the local administrative territorial level. Overall, the analysis identifies 40 161 housing units needed to cover the current social housing requests; most of these requests (38 085 units) come from urban areas. The findings in the Strategy are also supported by a targeted analysis on informal settlements, initiated by the Ministry of Development, Public Works and Administration in July 2021 and concluded with the “Report on informal settlements in Romania”³. The mapping identifies 393 informal settlements of marginalised communities and groups (i.e. which live at the periphery of urban and rural areas and are populated by individuals or families who are at risk of losing their ability to meet their daily living needs due to situations of illness, disability, poverty, drug or alcohol addiction or other situations leading to economic and social vulnerability) where 71 965 persons live and need social housing facilities.

IV. The Strategy and the Action Plan ensures an approach that secures complementarity/matches the existing or future Integrated Community Centres investments (i.e. delivering education, social and basic healthcare services) funded under the ESF+ and the future Cohesion Policy fund

The Strategy specifically highlights that housing investments will be complementary to related ongoing and future measures. It states in Pillar (i) “affordable housing conditions”, on page 73, that the “upcoming housing investments targeting persons from informal

³ Available at <https://www.mdipa.ro/pages/habitat>

settlements and marginalised communities will secure an approach that guarantees complementarity/matches the existing or future Integrated Community Centres investments (i.e. delivering education, social and basic healthcare services) funded under the ESF+ and the future Cohesion Policy funds”. This is further on illustrated at page 90 of the Strategy, where specific ESF+ and Cohesion Policy Programmes are assigned complementary to RRF and national funds, at the level of each pillar and specific objective. Moreover, the Programme for Social Inclusion (POIDS) explicitly states in its Specific Objective 4.3, Action 1.2 (funded by ESF+ and ERDF) that there will be complementarity between the social housing investments (under the Recovery and Resilience Facility) and those related to integrated community centres/day centres funded by POIDS.

V. The Strategy and the Action Plan ensures complementary access to education and healthcare services in marginalized communities (as identified in the updated version of the Atlas of Marginalized Communities)

The Action Plan of the National Housing Strategy contains measures addressing the access to education and healthcare in marginalised communities by provide building housing facilities for health and education specialists (Action 2.8), as well as identification and securing public land to serve marginalized communities with basic public services (Action 2.9), in a complementary manner to those related to building new social housing facilities for persons living in **marginalized communities** (Action 2.1) the support with affordable housing conditions.

Complementarity is also ensured through the governance structure to monitor the implementation of the Strategy. The National Housing Strategy Committee (i.e. the monitoring committee) which includes, among others, representatives of the Ministries of Health, Education, Labour, Family and Youth, and representatives of the managing authorities responsible with implementing EU funds (Ministry of European Projects and Investments). In the context of the monitoring committee, as presented at page 88 of the Strategy, the Ministry of Development and Public Works and Administration (who is in charge of the Secretariat of the Committee) is responsible to ensure complementarity between the implementation of the National Housing Strategy and all other relevant strategies, including the National Strategy for Social Inclusion and Poverty Reduction 2022-2027 and report every three years, on the implementation progress of the Strategy.

VI. The Strategy and the Action Plan shall not lead to social segregation

Among the principles used to implement the Strategy is the creation of a social inclusive environment (social diversity) (chapter III, page 71), where it is explicitly mentioned that the measures implemented as part of the Strategy will avoid social segregation. This principle is transposed into concrete actions, for example pillar (i) “inclusive housing” of the Action Plan has a measure to support integration of persons from communities exposed to marginalisation (including refugees) through new housing facilities or supporting such persons with renting facilities (vouchers) to be used on the market (measure 1.1 and 1.4) without constraints regarding the location; and pillar (ii) “affordable housing” of the Action Plan, which includes, among others, a measure to support mortgage guarantee schemes allowing persons belonging to vulnerable groups to get access to housing facilities where wanted. Such measures aim at integration of vulnerable groups into the society to avoid social segregation.

VII. The Strategy and the Action Plan shall ensure the possibility to use metropolitan areas,

administrative consortia, and the intercommunity development associations for implementation of the investments.

The Strategy (Pillar (i) affordable housing conditions, page 73) specifies that the upcoming housing investments will “secure the possibility to use metropolitan areas, administrative consortia, and the intercommunity development associations for implementation of the investments”. The approach is confirmed in the Strategy’s Action Plan, which identifies, these institutions as responsible for the implementations of several actions/measures, depending on their competences (i.e. metropolitan areas for territories next to urban centres, intercommunity development associations and administrative consortia in rural areas) Such actions/measures address the un-planned urban expansions and its negative effects on housing conditions (action 2.5) by securing land for building new relevant public infrastructure (in metropolitan areas); aim at adapting housing conditions in municipalities facing an urban decline (action 2.6) by modernising the current housing supply and improving housing facilities where mandatory quality standards are not meet (in metropolitan areas for territories next to urban centres, intercommunity development associations and administrative consortia in rural areas); secure sufficient housing facilities for health and education professionals to increase access to health and education services (action 2.8) by building specific housing facilities (in metropolitan areas for territories next to urban centres, intercommunity development associations and administrative consortia in rural areas); ensure quality public spaces including quality facilities for delivering public services (action 2.9) by identifying unused public land (in metropolitan areas for territories next to urban centres, intercommunity development associations and administrative consortia in rural areas).

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 326 | Related Measure: Operationalisation of Destination Management Organisations (DMOs) | |
| Name of the Milestone: All the optimum destination areas for regional Destination Management Organisations (DMOs) in Romania mapped | | |
| Qualitative Indicator: All the optimum destination areas for regional DMOs in Romania published | | Time: Q12022 |
| <p>Context:</p> <p>Milestone #326 is part of reform C11.R1 aiming to increase the competitiveness of the Romanian tourism sector and promote a sustainable socio-economic transformation in rural and disadvantaged areas by adopting the necessary framework for the operationalisation of Destination Management Organisation (hereinafter referred to as “DMOs”), which are legal entities carrying out the tourist development policy of specific destinations.</p> <p>Milestone #326 requires the mapping of optimum destinations based on a set of specified criteria.</p> <p>Milestone #326 is the first step of the implementation of reform C11.R1 and will be followed by milestone #327 on the adoption of an action plan for the use of cultural heritage (see relevant preliminary assessment fiche). It will be further followed by milestone #328 on the entry into force of the legislative framework putting in place the network of DMOs and their governance model, target #329 on the establishment of DMOs, and target #330 aiming at an increase of 20% of foreign tourists in the counties part of DMOs. The reform has a final expected date for implementation on</p> | | |

31 December 2023.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of Ministerial Order No. 696/2022 of 30 March 2022 adopting the results of the mapping of all the optimum destination areas and an explanatory report describing the selection process;

The authorities also provided:

- iii) Copy of Ministerial Order No. 579/2022 of 2 March 2022 setting out the technical working group.

Analysis:

In their request for payment, the Romanian Authorities pointed to a clerical error in the Annex to the Council Implementing Decision, with respect to the description of milestone #326. The name of milestone #326 is: "All the optimum destination areas *for* regional Destination Management Organisations (DMOs) in Romania mapped". In addition, the qualitative indicator provides that: "All the optimum destination areas *for* regional DMOs in Romania published". However, the description of the milestone states that: "The optimum destination areas shall be identified *by* the Destination Management Organisations based on the following criteria: [...]". The Commission considers the latter a clerical error and that the description of the milestone should have read: "The optimum destination areas shall be identified *for* the Destination Management Organisations based on the following criteria: [...]". This is also confirmed by the wording used in the national recovery and resilience plan submitted by Romania. Therefore, the Commission has carried out the assessment on that basis.

The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

All the optimum destination areas for regional DMOs in Romania published

Annex 1 to Ministerial Order No. 696/2022 of 30 March 2022 published on the same day in the Official Gazette contains the explanatory report on the mapping of all optimal destinations, and Annex 2 the list of optimal destinations. The Ministerial Order provides the list of indicators that were considered for each criterion and used to attribute points to destinations.

The optimum destination areas shall be identified for the Destination Management Organisations based on the following criteria:

1. Their capacity to attract international tourists

Romania took into account, as shown in page 2,3,4,5 of the explanatory report the number of overnights stays of foreign tourists in the accommodation structures.

2. promotion of socio-economic sustainable/ environmentally friendly transformation in rural and disadvantaged areas, in complementarity with the Local Fund component (e.g.

regarding the functional rural areas)

Five indicators were considered to fulfil this criterion, as shown in page 18 to 28 of the explanatory report:

3. number of major nature protected areas (biosphere reserves, nature parks, national parks);
4. ratio of natural areas compared to the total area of the county, number of historic monuments;
5. number of monuments on the UNESCO World Heritage List and of ecotourism destinations (according to the definition set out in Government Decision No. 358/2019 26 June 2019);
6. number European Destinations of Excellence (EDEN); and
7. share of less favoured administrative territorial units in the county.

On the latter, the preference granted to less favoured administrative territorial units under this investment will complement the actions undertaken under component 11 – Local Fund in reducing territorial disparities at regional and local level.

8. potential for creation of new jobs

Two indicators were considered for this criterion:

9. the average number of employees in hotels and restaurants; and
10. the share of employees in hotels and restaurants compared to the total of employees in the county. Eight optimal destinations were mapped in Bucovina, Transylvania, Banat-Crisana, Maramures, Muntenia and Moldova regions.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 327 | Related Measure: Operationalisation of Destination Management Organisations (DMOs) | |
| Name of the Milestone: Action plan for the use of cultural heritage to increase the competitiveness of the Romanian tourism sector | | |
| Qualitative Indicator: Adoption of the Action Plan for the use of cultural heritage to increase the competitiveness of Romanian tourism sector | | Time: Q1 2022 |
| Context: <p>Milestone #327 is part of reform C11.R1 aiming to increase the competitiveness of the Romanian tourism sector and promote a sustainable socio-economic transformation in rural and disadvantaged areas by adopting the necessary framework for the operationalisation of Destination Management Organisation (hereinafter referred to as “DMOs”), which are legal entities carrying out the tourist development policy of specific destinations.</p> <p>Milestone #327 requires the adoption of an Action Plan for the valorisation of cultural heritage in order to increase the competitiveness of the Romanian tourism sector.</p> <p>Milestone #327 is the second step of the implementation of reform C11.R1. It follows milestone #326 on the mapping of optimum destinations (see relevant preliminary assessment fiche) and will be followed by milestone #328 on the entry into force of the legislative framework putting in place the network of DMOs and their governance model, target #329 on the establishment of DMOs, and target #330 aiming at an increase of 20% of foreign tourists in the counties part of DMOs. The</p> | | |

reform has a final expected date for implementation on 31 December 2023.

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of Ministerial Order No.352/2022 of 30 March 2022 approving the Action Plan for the valorisation of cultural heritage to increase the competitiveness of the Romanian tourism sector.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Adoption of the Action Plan for the use of cultural heritage to increase the competitiveness of Romanian tourism sector

The Action Plan for the valorisation of cultural heritage to increase the competitiveness of the Romanian tourism sector was adopted by Ministerial Order No.352/2022 on 30 March 2022. The Action Plan aims to increase the competitiveness of Romanian tourism sector and promote sustainable transformation of rural areas by adopting the legal framework for the operationalisation of the DMOs.

The Action Plan shall be compliant with DMO multiple touristic packages.

Part II of the Action Plan provides that its main activities include the “mapping of geographical areas for identifying DMOs”, “establishing the touristic sites with a potential national and international impact”, “the creation of a network of DMOs” and the “creation of strategies and action plans for the DMOs identified”. Therefore, the Action Plan will address in an integrated manner all the DMOs in the country and is compliant with the multiple touristic packages of the future DMOs.

The Action Plan shall cover the period 2022-2026 and include specific annual and multiannual objectives

Point 111.1 of the Action Plan states that it will cover the period 2022-2026 and therefore cover objectives for several years (multiannual objectives) of operationalising the DMOs, with actions and sub-actions organised around specific annual deadlines.

The Action Plan shall include the following main actions:

- a) **establishing the types of sites, with a national and international impact, that shall be used for the promotion of tourism in Romania and shall contribute to the promotion of socio-economic sustainable/ environmentally friendly transformation in rural and disadvantaged areas.**

Through Main action 1 of the Action Plan, the Ministry of Entrepreneurship and Tourism will identify

the optimal destination areas, based on specific criteria listed in the Action plan, which will be the following: their ability to attract national and international tourists, the promotion of sustainable/ecological socio-economic transformation in rural and disadvantaged areas and the potential for job creation, with a view to enhancing cultural heritage and the sustainable development of tourism in Romania.

b) establishing the cultural routes that are the result of the mapping exercise.

Main Action 4 of the Action Plan aims at the development of 12 thematic cultural routes resulting from the mapping exercise conducting for the operationalisation of the DMOs, which are: Castles route, Curia route, 'Cula' route, the route of the traditional Romanian gastronomy, route of fortified churches, route of wooden churches, the route of the Moldova monasteries, Saint Ladislau's route, the route of the Roman castrum, Fortress route, Restoration of the cultural landscape in the Danube Delta, the route of villages with traditional architecture. Through this action, cultural points of interest which will be included in those routes will be selected to receive financial support for their rehabilitation and promotion.

It shall also detail the main actors, their roles and responsibilities and the expected results.

For each main action, the Action Plan outlines the responsible actors and their role, the concrete activities and deadlines and the expected results of the action.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 331 | Related Measure: Promotion of the 12 touristic/ cultural routes | | |
| Name of the Target: Sites that shall be included in the cultural routes | | | |
| Quantitative Indicator: | Baseline: 0 | Target: 225 | Time: Q1 2022 |
| <p>Context:</p> <p>The objective of investment C11 - I1 is to develop 12 thematic tourist routes in disadvantaged, rural areas of Romania. The 12 thematic routes are: Castles route, Curia route, 'Cula' route, The route of the traditional Romanian gastronomy, Route of fortified churches, Route of wooden churches, The route of the Moldova monasteries, Saint Ladislau's route, The route of the Roman castrum, Fortress route, Restoration of the cultural landscape in the Danube Delta, The route of villages with traditional architecture.</p> <p>Target 331 concerns the selection of 225 "sites" which are touristic attraction points (such as castles, monasteries...) to be included in the 12 touristic routes. The selection is conducted by a committee. The sites have to be located mainly in rural and disadvantaged areas to attract tourists, be already accessible to tourists and create new workplaces in the tourism industry.</p> <p>Target 331 is the first step of the implementation of the investment, and it will be followed by targets 332 to 335, related to the promotion and opening of the 12 routes and the restoration and renovation of the cultural sites. The investment has a final expected date for implementation in Q2 2026.</p> | | | |
| Evidence Provided: | | | |

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Copy of the selection methodology for the first round of selection;
- ii) Copy of the selection methodology for the second round of selection;
- iii) Excel list of the sites selected;
- iv) Ministerial Order No. 266/2022 for the modification of the Methodology for the evaluation of the objectives in Order to include them in the 12 touristic / cultural routes for promotion / restoration, approved by Order of the Minister of Investments and European Projects, Minister of Entrepreneurship and Tourism, Minister of Culture and Development, Public Works and Administration No. 209/557/2676/2022;
- v) Ministerial Order No. 489/2022 approving the modified selection methodology of the sites;
- vi) Ministerial Order No. 209/2022 approving the selection methodology of the sites and setting-up the selection committee;
- vii) Ministerial Order approved by the Order the Minister for Investment and European Projects, the Minister for Entrepreneurship and tourism, the Minister for Culture and the Minister for Development, Public Works and administration No 365/722/2781/526/2022: list of sites selected;
- viii) Ministerial Order No. 365/2022: list of sites selected;
- ix) Ministerial Order on the amendment of the List of Objectives meeting the criteria for inclusion in framework of tourism/cultural routes, with a view to their promotion approved by the Order the Minister for Investment and European Projects, the Minister for Entrepreneurship and tourism, the Minister for Culture and the Minister for Development, Public Works and administration No. 364/723/2780/525/2022: list of sites selected;
- x) Ministerial Order No. 364/2022: list of sites selected.

On the basis of a sample selected by the Commission the following documentary evidence was submitted for 60 selected sites:

- xi) A project summary note;
- xii) An evaluation form;
- xiii) List of national historical monuments;
- xiv) List of UNESCO sites;
- xv) Extract of the list labelled traditional products from the website of the Ministry of agriculture and related search engine (Lista produse: Catalogul Produselor și Activităților Certificate (afir.info)).

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the target.

At least 225 sites shall be included in the cultural routes and shall be chosen based on the mapping and being positioned mainly in rural and disadvantaged areas to attract tourists and create new workplaces in the tourism industry. The “sites” are the tourism attraction points (such as castles, fortifications, monasteries, traditional houses) that shall be included in the 12 cultural routes and shall be chosen by a committee and shall be based on a consultation process. The authorities provided the list of sites included in the cultural routes, which is to be

found in several Ministerial Orders listed in point vii to x above. All the sites are touristic attraction points (such as castles, churches, monasteries, traditional products, traditional houses).

The selection of sites was carried out by an inter-ministerial committee, set up in accordance with Government decision No. 209/2022, whose members are representatives of the Ministry of Investment and European Projects (MIPE), Ministry of Culture, Ministry of Entrepreneurship and Tourism and Ministry of Development, Public Works and Administration. The evaluation methodology, the evaluation procedure and the list of sites selected were approved by the committee by joint ministerial Order and were published on MIPE's website: <https://mfe.gov.ro/pnrr-apel-de-proiecte-pentru-investitii-in-turism-si-cultura/> (call 1) and <https://mfe.gov.ro/pnrr-relansarea-apelului-de-proiecte-pentru-investitii-in-turism-si-cultura/> (call 2).

As stated in both methodologies, the sites selected will be included in 12 cultural routes (Castles route, Curia route, 'Cula' route, The route of the traditional Romanian gastronomy, Route of fortified churches, Route of wooden churches, The route of the Moldova monasteries, Saint Ladislau's route, The route of the Roman castrum, Fortress route, Restoration of the cultural landscape in the Danube Delta, The route of villages with traditional architecture) based on the mapping conducting for the operationalisation of the DMOs. .

Both methodologies also prescribe the organisation of a public consultation.

The list of sites selected by the committee was adopted through several Ministerial decisions and Romania provided a consolidated list. The Romanian authorities have reached the target indicated by the Council Implementing Decision Annex.

Each site applying to the selection procedure had to indicate whether it was located in a rural and disadvantaged area and a majority of sites were located in such areas, in line with the CID.

The minimal criteria for the selection of projects are:

- a) territorial, economic and social criteria including growth, jobs with focused on less developed regions;**
- b) the capacity of the project to generate an impact on the attractiveness of tourism and the increase of cultural participation, the unique character at national level, comparative and competitive advantages**
- c) inclusion of sites related to the theme of the routes previously funded within the Regional Operational Programme and National Programme for Rural Development**
- d) inclusion of sites on the UNESCO World Heritage List or on the temporary or indicative list**
- e) inclusion of sites in the category of historic buildings that are not considered historical monuments.**

It is not required by the CID that all sites need to meet all of the above criteria in order to be selected. Deviations from certain minimal criteria have been accepted in the cases in which they were not relevant or applicable. This is the case for the sites to be included in the gastronomy route, which are different because they are not building sites. Criteria d) and e) are not applicable due to the immaterial nature of the touristic attraction. Instead, existence of specific traditional products and the existence of producers of traditional and artisanal products authorized by law

was checked by the selection committee.

This is also the case for the criteria related to the inclusion of sites on the UNESCO World Heritage List or on the temporary or indicative list, as Romania has 9 cultural sites on the UNESCO World Heritage List and 16 sites on the temporary or indicative list.

Only those sites that currently provide access for tourists shall be included in the cultural routes.

As prescribed by the methodology in point 1.5, existence of an access is an eligibility criterion.

Following the selection of a random sample of 60 selected projects included in the cultural routes, Romania provided for each site a project summary note submitted by the applicant to the selection committee. These notes include a structure of boxes to be ticked and a qualitative section including elements for the evaluation of each criterion. Romania provided the evaluation form completed at the time of the selection. In addition, the Romanian authorities provided two excel documents summarising the number of points given to each site.

The evidence provided for the sample of 60 contracts confirmed that all sites comply with the minimal criteria listed in the Council Implementing Decision Annex (where relevant, as explained above).

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 338 | Related Measure: Framework for the operationalisation of cycling routes at national level | |
| Name of the Milestone: Entry into force of the regulatory framework on cycling tourism | | |
| Qualitative Indicator: Entry into force of the regulatory framework on cycling tourism | | Time: Q1 2022 |
| <p>Context:</p> <p>Milestone #338 is part of reform C11.R2, which aims at developing the economy of small towns and rural areas by adopting a legislative, institutional and investment framework for cycling routes and sustainable forms of tourism.</p> <p>Milestone #338 requires the entry into force of the regulatory framework for the operationalisation of cycling routes.</p> <p>Milestone #338 is the first step of the implementation of the reform, and it will be followed by two additional milestones #339 and #340 aiming at the establishment of the National Coordination Centre Velo Routes and the publication of a comprehensive study on the territorial distribution of national cycling routes. The complete implementation of this reform will establish the relevant entities, the criteria for cycling routes and the incentives to promote cycling tourism. The reform has a final expected date for implementation on 30 September 2022.</p> | | |
| Evidence provided: | | |
| In line with the verification mechanism set out in the Operational Arrangements, the following | | |

evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of Government Decision No. 441 of 31 March 2022 for approving methodological norms for the establishment, development and certification cycling routes published in the Official Journal of the Government Decisions No. 319 on 31 March 2022.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Entry into force of the regulatory framework on cycling tourism

The regulatory framework for the operationalization of cycling routes, in the form of a Government Decision No 441, was published in the Official Journal No. 319 of 31 March 2022 and entered into force on 31 March 2022.

The regulatory framework (Government Decisions) for the operationalisation of cycling routes shall include the following elements:

- **establishment of the institutions responsible for the operationalization and monitoring of cycling tourism infrastructure (including the National Coordination Centre for cycling routes)**

This requirement is achieved by approving Government Decision No. 321 of 9 March 2022 for the modification and completion of the Government Decision No. 447/2020 on the organization and functioning of the Ministry of Development, Public Works and Administration. In accordance with article 4, paragraph (9): within the Ministry of Development, Public Works and Administration, the Velo National Coordination Center (VNCC) is established, with attributions in elaborating the study on identifying cycling routes at national level and creating the National eVelo Platform, identifying, establishing, certifying, standardizing, classifying, monitoring the state of routes, development and promotion of cycling routes.

The Government Decision No. 441 on 31 March 2022 approves the methodological norms related to the planning, building and homologation of cycling routes, as well as the establishment of the institutions responsible at the central and local level for the operationalization, maintenance and monitoring of the cycling routes infrastructure, such as municipalities, counties or administrative units. It contains provisions related to the operationalization and monitoring of cycling infrastructure, notably creation of route segments, classification of degree of difficulty, etc. It includes the procedure for the certification and signalling of cycling routes, the designation of the cycling route administrator which is responsible for ensuring the proper maintenance and continuous functioning of the tourism cycling routes, the financing of maintenance works and contraventions enforced in case of restriction of the tourists' access to the cycling routes and damages caused to signalling and maintenance works carried out on these routes.

- **establishment of typologies and characteristics of cycling routes**

The Government Decision No. 441 on 31 March 2022 contains the key provisions related to the typologies and characteristics of cycling routes:

Article 1 and Article 2 regulate the general framework by providing the definition of the tourism cycling routes, the role of cycling routes for tourism purposes and the establishment of the National Network of Cycle Routes in Romania (ROVELO Network).

Articles 3 to 8 define the types of cycling routes: definition of the route sections (length, safety conditions, traffic intensity); technical characteristics of a different parts of cycling routes (section, stage, route segment); route typology based on territorial level (national, regional and local), route typology based on levels of difficulty (easy, medium and difficult), route typology based on level of forms (linear and circuit), technical characteristics of the national, regional and local cycling routes.

Articles 9 to 11 regulate the design of cycling routes: in these articles were established the technical characteristics that should be followed through the implementation and development phase of cycling routes (the use of different types of roads to create cycling routes, including here the bicycle tracks, bicycle roads, protection areas of public roads, forest road and paths, flood protection dams of watercourses, protected natural areas), types of durable surface material laid down on cycling routes, safety measures.

- **regulatory incentives for the use of cycling tourism**

The Government Decision No. 441 on 31 March 2022 contains the key provisions related to regulatory incentives for the use of cycling tourism. In particular, Article 12, paragraph (9) provides that the cycling touristic routes, which are being approved or developed, are duly highlighted in the urban planning and spatial planning documents. Furthermore, article 12, paragraph (10) provides that to stimulate the development of cycling routes in urban areas, they will be included in the sustainable urban mobility plans.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 339 | Related Measure: Reform 2. Framework for the operationalisation of cycling routes at national level | |
| Name of the Milestone: National Coordination Centre Velo Routes established and operational | | |
| Qualitative Indicator: Adoption of the Government decision for the establishment of the National Coordination Centre for cycling routes | | Time: Q2 2022 |
| Context: | | |
| <p>Milestone #339 is part of reform C11.R2, whose objective is to contribute to economic development of small towns and rural areas by adopting a legislative, institutional and investment framework for cycling routes and sustainable forms of tourism. This milestone aims at establishing the National Coordination Centre for cycling routes, which requires the adoption of a government decision. The National coordination centre shall become operational and start elaborating a study and the eVelo application.</p> <p>Milestone #339 is the second milestone of the reform, and it follows the completion of milestone #338 related to the entry into force of the regulatory framework on cycling routes. It will be followed by milestone #340 related to publication of the study. The reform has a final expected date for implementation on 30 September 2022.</p> | | |

Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Government Decision No. 321 on 10 March 2022 for the modification of and completion of Government Decision No. 447/2020 on organisation and functioning of the Ministry of Development, Public Works and Administration by publication into the Official Journal of the Government Decisions No. 240 on 10 March 2022;
- iii) Report from the National Coordination Centre illustrating the progress made by the National Coordination Centre to date.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Adoption of the Government decision for the establishment of the National Coordination Centre for cycling routes

Government Decision No. 321 on 10 March 2022 for the modification of and completion of Government Decision No. 447/2020 on organisation and functioning of the Ministry of Development, Public Works and Administration is the decision establishing the National Coordination Centre for cycling routes and has been published in the Official Journal on 10 March 2022.

The milestone requires that the National Coordination Centre for Velo Routes shall be established in the Ministry of Development, Public Works and Administration.

Article 1, point 1 of the Government Decision no. Government Decision No. 321 of 10 March 2022 for the modification and completion of the Government Decision No. 447/2020 on organization and functioning of the Ministry of Development, Public Works and Administration states that within the Ministry of Development, Public Works and Administration, the Velo National Coordination Center is established and tasked to elaborate the study on cycling routes at national level and creating the national eVelo Platform, and is also competent for the identification, establishment, homologation, standardization, classification and monitoring of cycling routes conditions, the development and promotion of cycling routes.

The Government Decision entered into force on 10 March 2022.

The National Coordination Centre shall become operational and shall start elaboration of the study and the eVelo application.

Furthermore, in line with the description of the milestone, the National Coordination Centre has to be operational and in particular has to start elaboration of the study and the eVelo application. As explained in page 1 of the report from the National Coordination Centre, it has been staffed with a coordinator and 4 staff members. The Romanian authorities provided a summary explaining the main actions conducted by the National Coordination Centre since its creation.

Page 1 and 2 of the report from the National Coordination Centre indicates that several actions have been taken, for example:

- i) It has put in place a working group in collaboration with the county councils to establish

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| <p>the route sections of EuroVelo 6 and EuroVelo 13 on the territory of Romania.</p> <p>ii) It has elaborated the "Guide on marking and signalling cycling tourist routes" and "Homologation procedure for cycling tourist routes" to be submitted for public consultation.</p> <p>As indicated in page 2 of the report from the National coordination Centre it has also started the procedure to launch the necessary procurements for the "Study on the identification, establishment and territorial distributions of cycle tourist routes at national level" and the "eVelo national platform". Necessary reports for the study and the eVelo platform services were submitted to the Ministry of Development, Public Works and Administration. The specifications for the study and the specifications for preparatory study on the national eVelo Platform, which includes a dedicated site for the National Coordination Centre and the digital application for smartphones has also been prepared.</p> <p>Commission Preliminary Assessment: Satisfactorily fulfilled</p> |
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| Number: 398 | Related Measure: Improvement of the social economy legislation | |
| Name of the Milestone: Entry into force of the amendment of Law No 219/2015 on the social economy and the implementing rules | | |
| Qualitative Indicator: Provision in the law indicating the entry into force of the amendment of Law No. 219/2015 on the social economy and the implementing rules | | Time: Q2 2022 |
| <p>Context:</p> <p>The objective of this reform is a better use of social economy enterprises' innovation potential and an increase in their contribution to address social and environmental challenges.</p> <p>Milestone #398 is the only one of this reform. It modifies regulations to set-up social enterprises and their overall operations to improve their sustainability and support for vulnerable groups and marginalized communities.</p> | | |
| <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i) Cover note duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii) Copy of the Government Emergency Ordinance No. 33 of 30 March 2022 amending and supplementing Law No. 219/2015 on social economy, published in the Official Journal No. 323 on 1 April 2022; iii) Copy of the Government Decision No. 876 of 6 July 2022 amending and supplementing the implementing rules for the provisions of Law No. 219/2015 on the social economy, approved by Government Decision No. 585/2016, published in the Official Journal No. 712 on 15 July 2022; iv) Copy of the Law No. 240 of 20 July 2022 approving Government Emergency Ordinance No. 33/2022 amending and supplementing Law No. 219/2015 on the social economy, published in the Official Journal No. 736 on 21 July 2022. <p>The authorities also provided:</p> <ul style="list-style-type: none"> v) Two documents explaining how the amendments in the legal framework contribute to | | |

meeting the requirements in the Council Implementing Decision Annex.

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Provision in the law indicating the entry into force of the amendment of Law No 219/2015 on the social economy and the implementing rules

Government Emergency Ordinance No. 33 of 30 March 2022, modifying Law No. 219 of 23 July 2015 on the social economy, entered into force on 1 April 2022, the day of its publication in the Official Journal, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. Also, Law No. 240 of 20 July 2022, for the approval of Government Emergency Ordinance No. 33/2022, was published in the Official Journal on 21 July 2022 and entered into force three days later, on 24 July 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. Moreover, Government Decision No. 876 of 6 July 2022, which amends Government Decision No. 585 of 10 August 2016 for the approval of the implementing rules of Law No. 219/2015, was published in the Official Journal on 15 July 2022 and entered into force on the same day, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. The provisions of these legal acts respond to the three requirements in the description of the milestone of the Council Implementing Decision Annex:

Simplified registration procedure of social enterprises.

Article I(27) of Government Decision No. 876 of 6 July 2022 amends Article 24 of Government Decision No. 585 of 10 August 2016. Article 24 of Government Decision No. 585 of 10 August 2016, as amended, now allows an online submission of documents in the attestation or certification for social enterprises, simplifying their registration procedure. In addition, Article I(8) of Government Decision No. 876 of 6 July 2022 introduces a simple prolongation procedure of the attestation/certificate of a social enterprise through the submission of a request without the obligation to resubmit any supporting documents, thereby amending Article 5(1) letter b of Government Decision No. 585 of 10 August 2016.

Improved targeting of the economic activities and labour force use so that it addresses better the needs of the vulnerable groups and marginalized communities.

Article I(20) of the Government Emergency Ordinance No. 33 of 30 March 2022 amends Article 20 of Law No. 219 of 23 July 2015 on the social economy. Article 20, as amended, now provides that both social enterprises and insertion social enterprises (social enterprises directly contributing to the accomplishment of the general interest and/or to the improvement of the situation of the vulnerable groups) are now considered as insertion employers, if they provide jobs to young people at risk of social marginalisation. Vocational trainings organised by those enterprises for employees belonging to vulnerable groups are partially subsidized to reduce the risk of social marginalisation, as provided by Article I(20) of the Government Emergency Ordinance No. 33/2022. Article I(20) of the Government Emergency Ordinance No. 33/2022 also provides that the social enterprises benefit from the provisions of Articles 80 and 85 of Law No. 76 of 16 January 2002 on the unemployment insurance system, consisting of subsidies for employing graduates and disabled graduates, unemployed people above the age of 45, unemployed people from single-parent families, long-term unemployed and young people not in employment, education or training. Most of these people belong to vulnerable groups, as defined by Article 6 letter p) of Law No. 292 of 20 December 2011 on social assistance, which includes persons or families who are at risk of losing the ability to meet their daily living needs, because of illness, disability, poverty or other situations leading to economic

and social vulnerability.

Article I(3) of the Government Emergency Ordinance No. 33 of 30 March 2022 improves the scope of the economic activities through the inclusion of agricultural cooperatives in the category of social economy entities. The needs of vulnerable groups are thus better addressed, as rural households which are highly exposed to the risk of poverty or social exclusion, can become members of agricultural cooperatives, based on the provisions of Article 3(3) of Law No. 566 of 9 December 2004 on agricultural cooperatives.

Article I(1) of the Law No. 240 of 20 July 2022 expands the definition of vulnerable groups, which now also covers disadvantaged persons in employment, education, health, housing or other similar areas.

Identified measures to improve sustainability of the Social Economy Structures e.g. preferential public procurement regimes for goods and services.

Article I(20) of the Government Emergency Ordinance No. 33 of 30 March 2022 improves the sustainability of the social economy sector by:

- granting social enterprises employing young people at risk of social marginalisation the incentives provided by Law No. 76 of 16 January 2002 on the unemployment insurance system (subsidies for employers hiring people from disadvantaged categories);
- allowing social enterprises to benefit from subsidies for employing graduates and disabled graduates, unemployed people above the age of 45, unemployed people from single-parent families, long-term unemployed and young people not in employment, education or training;
- subsidizing 50% of the training expenses for social enterprises which organize training programmes for their employees belonging to the vulnerable groups.

Article I(25) of the Government Decision No. 876 of 6 July 2022 details the administrative procedure for awarding incentives to social enterprises and insertion social enterprises.

Commission Preliminary Assessment: Satisfactorily fulfilled

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| Number: 500 | Related Measure: Digitisation of universities and preparation for the digital professions of the future | |
| Name of the Milestone: Signature of contracts for grants for innovative technology centres in universities | | |
| Qualitative Indicator: Signature of contracts | | Time: Q2 2022 |
| Context: | | |
| <p>The objective of this investment is to improve communication between universities and students, enabling teamwork in a digital environment, to automatise administrative processes in universities, create a better educational content system management and RDI infrastructure for addressing advanced technologies.</p> <p>Milestone 500 requires the signature of contracts for grants to 60 universities to finance integrated measures to improve digital infrastructure and develop the competences of students and university teaching staff.</p> <p>Milestone 500 is an initial step in the implementation of the investment and shall be followed by milestone 501 Signature of contracts for a grant scheme for the digitalisation of the National Council of Rectors by Q4 2022 and target 502 Universities supported by new innovative technology centres to create the new skills of the future by Q4 2025.</p> | | |
| Evidence provided: | | |

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii) Copy of the signed contracts between the Ministry of Education and 61 Romanian universities, all signed on 16 September 2022;
- iii) Copy of the “Annex compliance with CID”, issued by the Ministry of Education on 15 December 2022, containing the extract of the relevant parts of the grant specifications of the project proving alignment with the description of the milestone and of the description of the investment in the CID annex;
- iv) Copy of the Note 693/26 August 2022 regarding the activities carried out by the UEFISCDI experts for the evaluation and selection of projects submitted under the call for grants for the digitalisation of universities and Note 677/24 August 2022 on starting the contracting process under for proposals for ‘Grants for the digitalisation of universities’, issued by the evaluation committee, containing the report of the evaluation committee regarding its assessment of the submitted applications against the grant requirements.

The authorities also provided:

- v) Applicants’ guidelines for the grants for the digitalisation of universities;
- vi) Ministerial Order No. 3982/2022 of 8 June 2022 approving the applicants' guidelines;
- vii) Ministerial Order No. 4059/2022 of 15 June 2022 amending the applicants' guidelines;
- viii) Ministerial Order No. 4054/2022 of 15 June 2022 establishing the Management Committee for the evaluation of the application process;
- ix) Ministerial Order No. 4064/2022 of 16 June 2022 approving the Methodology for the Evaluation and Selection of Projects submitted under the Call for “grants for the digitalisation of universities” projects;
- x) Ministerial Order No. 4168/2022 of 30 June 2022 approving the list of selected universities for funding;
- xi) List of selected universities;
- xii) Report (relating to the evaluation/selection and contracting process);
- xiii) Note 429/17 June 2022 on the rates of payment of expert evaluators;
- xiv) Note 430/20 June 2022 on the validation of expert assessors;
- xv) Regulations for publishing Ministerial Orders in the Official Journal (Note clarifying the legal basis by which certain Ministerial Orders need not be published in the Official Journal).

Analysis:

The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone.

Signature of contracts for grants to 60 universities to finance integrated measures to improve digital infrastructure and develop the competences of students and university teaching staff:

- operationalisation of University Digital Centres,
- digital competence training programmes,
- development of students’ entrepreneurial skills for the digital sector,
- career guidance programmes for students with a view to choosing emerging ICT occupations,
- training programmes for new teaching/assessment skills in a hybrid system,
- advanced digital skills development for 1 000 undergraduate and master’s students.

Romania provided 61 contracts signed between the Ministry of Education and 61 universities to finance integrated measures to improve digital infrastructure and develop the competences of students and university teaching staff. Each contract sets the terms and conditions for the grant to

the recipients and contains 22 articles. For each contract, Article 1 establishes that a project, detailed in Annex 1 to the contract, is to be financed by a grant. It further specifies that the recipient (the respective university) has to implement the project approved under the call for grants, in accordance with the obligations included in the contract and its annexes.

The selection of the 61 universities followed the publication of the guidelines for applicants and a call for projects.

The guidelines for applicants for the grants for the digitalisation of universities (hereinafter referred to as “the guidelines”) define on page 6, sections 3.2.A and 3.2.B, the scope of eligible investments: investments in digital infrastructure of universities (that is, upgrading laboratories, computing centers, innovation hubs/hubs), and investments in digital skills of members of the academic community. Section 3.5.1, page 9, further lists eligible expenditure items for digital infrastructure, detailing items required for the operationalisation of digital centres and items eligible for the development of competences of students and university teaching staff, which includes the development and implementation of skills training programmes, for up to 10 % of the total amount of the grant requested.

The list of selected universities ranked by score is available in the Annex to Ministerial Order No. 4168/2022 approving the list of selected universities for funding.

Through Ministerial Order No. 4054/2022 the Romanian authorities set up a management committee/UEFISCDI experts (hereinafter referred to as ‘evaluation committee’) with the mandate to ensure that the projects selected are fully in line with the requirements of the guidelines. The evaluation committee through the Note 693/26 August 2022 and Note 677/24 August 2022 respectively defined its activities for the evaluation and selection of projects and for the start of the contracting process under the call for applicants for grants for the digitalization of universities.

Note 693/26 August 2022, page 1, defined how the evaluation committee conducts the assessment of applications, including the evaluation of the eligibility of applicants and projects by applying the criteria set out in the guidelines. Two evaluation grids were completed:

- The first one, on page 2, for checking that the eligibility criteria of the applicants and their projects were met using the criteria established in the Evaluation and Selection Methodology approved by Ministerial Order No. 4064/2022 (page 19), in particular:
 - The requested budget is exclusively related to the eligible investment categories specified in the Guidelines for Applicants;
 - The proposed project includes both types of eligible investments under the call: investments in digital infrastructure and in digital skills training;
 - Investments in digital skills training shall be within the limit of 10% of the total grant amount requested.
- The second one to establish a ranking of eligible projects based on a scoring, accompanied by supporting comments.

After the completion by the evaluation committee of the verification of the selected projects, in page 1 of Note 677/24 August 2022, the list of the 61 selected projects and their budgets are listed.

The supporting evidence “Annex compliance with CID” (point iii in the Evidence provided) summarises in the form of an Excel table for each project the activities to be financed under the grant and their alignment with the Council Implementing Decision Annex. In particular, it covers the operationalisation of University Digital Centres (column F of the Excel file) and includes information on the acquisition of the equipment, hardware and software necessary for the development of these centres. Digital competence training programmes, development of students’ entrepreneurial skills for the digital sector, career guidance programmes for students with a view to choosing emerging ICT occupations, training programmes for new teaching/assessment skills in a hybrid

system and advanced digital skills development for 1 000 undergraduate and master's students are covered in column H of the Excel file. Column H in particular proves that at least 1000 students should benefit from advanced digital skills development. This information was confirmed after reviewing the content of the copy of the contracts submitted by the Ministry of Education.

The "Annex compliance with CID" including the relevant extracts confirms that, for each signed contract, all the activities that are foreseen in the Council Implementing Decision are covered by these contracts, that is, the operationalisation of University Digital Centres, digital competence training programmes, development of students' entrepreneurial skills for the digital sector, career guidance programmes for students with a view to choosing emerging ICT occupations, training programmes for new teaching/assessment skills in a hybrid system, advanced digital skills development for 1 000 undergraduate and master's students.

Commission Preliminary Assessment: Satisfactorily fulfilled