

15 October 2024

**Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the third payment request submitted by Romania on 15 December 2023, 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 15 December 2023, Romania submitted a request for payment for the third instalment of the non-repayable support and the third 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 39 (thirty nine) out of the 43 (forty three) milestones and targets of the third instalment of the non-repayable support and the 29 (twenty nine) out of the 31 (thirty one) milestones and targets of the third instalment of the loan support, as set out in Section 2.1.3 and Section 2.2.3 of the Annex to the Council Implementing Decision of 29 December 2021 on the approval of the assessment of the recovery and resilience plan for Romania, as amended by Council Implementing Decision of 8 December 2023<sup>1</sup>.

For 12 (twelve) milestones and targets covering a large number of recipients, in addition to the summary documents and official listings provided by Romania, the Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60, with additional units for one specific case, which corresponds to a confidence level of 95% or above in all cases. 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. 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 39 milestones and targets related to the third instalment of the non-repayable support, and of 29 out of 31 milestones and targets related to the third instalment of the loan support. Romania has not currently provided the necessary information for the Commission to reach a positive preliminary assessment on milestones 72, 79, 86, 121, 206 and 440. For these milestones, the Commission will proceed in accordance with Article 24(6) of Regulation (EU) 2021/241.

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. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, the reform of the compulsory education system to prevent and reduce early school leaving, the electricity market reform, the reform of the National Agency for Fiscal Administration (ANAF) through digitalisation and the public pension system reform. The milestones and targets also confirm progress towards the completion of investment projects related to improving tax and tax administration processes, improving the efficiency of the existing building stock, cross border and

---

<sup>1</sup> ST 12319/21; 15833/23.

multi-country projects – Low Power Processors and Semiconductor Chips, and the construction of housing for youth and for professionals in health and education.

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.

## Contents

Contents.....	3
[Non-repayable support].....	7
Related Measure: Reform of forest management and governance systems through the development of a new National Forest Strategy and subsequent legislation.....	7
Related Measure: Reform of forest management and governance systems through the development of a new National Forest Strategy and subsequent legislation.....	14
Related Measure: Sustainable transport, decarbonisation and road safety / Road safety.....	20
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 .....	27
Related Measure: Transition to EU 2025 connectivity targets and stimulate private investment for the deployment of very high-capacity networks.....	30
Related Measure: Transition to EU 2025 connectivity targets and stimulate private investment for the deployment of very high capacity networks.....	38
Related Measure: Ensuring cybersecurity of public and private entities owning critical value infrastructure .....	39
Related Measure: Increasing digital competence for public service and digital education throughout life for citizens .....	41
Related Measure: Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation.....	43
Related Measure: Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation.....	46
Related Measure: Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation.....	49
Related Measure: Improving the budgetary programming mechanism.....	52
Related Measure: Review of the tax framework.....	56
Related Measure: Reform of the public pension system .....	60
Related Measure: Improving tax and tax administration processes, including through the implementation of integrated risk management.....	65
Related Measure: Improving tax and tax administration processes, including through the implementation of integrated risk management.....	67
Related Measure: Implementation of electronic customs.....	69
Related Measure: Creating the framework for sustainable urban mobility .....	71
Related Measure: Creating the framework for sustainable urban mobility .....	77
Related Measure: Sustainable urban mobility .....	81
Related Measure: Sustainable urban mobility.....	84
Related Measure: Sustainable urban mobility.....	88
Related Measure: Increased capacity for the management of public health funds .....	91

Related Measure: Increased capacity for health management and human resources in health .....	93
Related Measure: Creating a new legal framework to prevent the separation of children from their families.....	98
Related Measure: Reform of the protection system for adults with disabilities .....	100
Related Measure: Reform of the protection system for adults with disabilities .....	104
Related Measure: Implementation of the Minimum Inclusion Income (VMI).....	108
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 .....	110
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 .....	113
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 .....	116
Related Measure: Ensuring the independence of the judiciary, enhancing its quality and efficiency	118
Related Measure: Improve the procedural framework for the implementation of corporate governance principles in state -owned enterprises.....	120
Related measure: Increasing the capacity of civil society organisations to foster active citizenship, to engage professionally in the planning and implementation of public policies on social rights addressed by the national recovery and resilience plan and to monitor related reforms .....	123
Related Measure: Unitary, inclusive and quality early-childhood education system .....	127
Related Measure: Reform of the compulsory education system to prevent and reduce early school leaving.....	131
Related Measure: Creation of a full professional route for higher technical education.....	133
Related Measure: Provision of facilities for pre-university classrooms and school science laboratories/school cabinets.....	142
Related Measure: Provision of facilities for pre-university classrooms and school science laboratories/school cabinets.....	146
[Loan support].....	152
Related Measure: Strengthening the regulatory framework for sustainable management of water and waste water sector and accelerating people’s access to quality services under European directives	152
Related Measure: Improving waste management governance to accelerate the transition to the circular economy.....	153
Related Measure: Improving waste management governance to accelerate the transition to the circular economy.....	157
Related Measure: Simplified and updated regulatory framework to support the implementation of investments in the transition to green and resilient buildings .....	163

Related Measure: Simplified and updated regulatory framework to support the implementation of investments in the transition to green and resilient buildings .....	166
Related Measure: Strategic, legislative and procedural framework to support seismic resilience of the buildings stock.....	170
Related Measure: Strategic, legislative and procedural framework to support seismic resilience of the buildings stock.....	174
Related Measure: Establishment of a Renovation Wave fund to finance works to improve the energy efficiency of the existing building stock .....	175
Related Measure: Establishment of a Renovation Wave fund to finance works to improve the energy efficiency of the existing building stock .....	177
Related Measure: Reducing the energy intensity of the economy by developing a sustainable mechanism to boost energy efficiency in industry .....	178
Related Measure: Legislative transparency, de-bureaucratisation and procedural simplification for business.....	182
Related Measure: Legislative transparency, de-bureaucratisation and procedural simplification for business.....	186
Related Measure: Legislative transparency, de-bureaucratisation and procedural simplification for business.....	190
Related Measure: Private sector aid schemes – De minimis scheme to assist Romanian firms in listing on the stock exchange.....	194
Related Measure: Cross border and multi-country projects – Low Power Processors and Semiconductor Chips .....	196
Related Measure: Support to integrate the research, development and innovation organisations in Romania in the European Research Area.....	199
Related Measure: Establishment and operationalisation of Competence Centres .....	202
Related Measure: Creating the policy framework for sustainable urban transformation .....	208
Related Measure: Creating the policy framework for sustainable rural transformation: establishing administrative consortia in functional rural areas .....	211
Related Measure: Construction of housing for youth and for professionals in health and education .....	215
Related Measure: Moderate rehabilitation of public buildings to improve public service delivery by administrative territorial units .....	218
Related Measure: Development/updating in GIS format of spatial planning and urban planning documents .....	221
Related Measure: Operationalisation of Destination Management Organisations (DMOs) .....	223
Related Measure: Promotion of the 12 touristic/cultural routes .....	229
Related Measure: Framework for the operationalisation of cycling routes at national level.....	232
Related Measure: Establishment and operationalisation of the Velo National Coordination Centre	235
Related Measure: Implementation of 2 404km of cycling routes.....	238
Related Measure: Reforming the funding system for the cultural sector.....	240

Related Measure: Reform of long-term care services for older people ..... 246

**[Non-repayable support]**

<b>Number: 22</b>	<b>Related Measure:</b> Reform of forest management and governance systems through the development of a new National Forest Strategy and subsequent legislation	
<b>Name of the Milestone:</b> Adoption of the National Forest Strategy 2020-2030		
<b>Qualitative Indicator:</b> Adoption of the National Forest Strategy 2020-2030		<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>The objective of reform C2.R1 is to ensure a clear and robust strategic and regulatory framework for the implementation of sustainable forest policies that support climate change mitigation and adaptation.</p> <p>Milestone #22 concerns the adoption of the National Forest Strategy 2020-2030. It is the first step in the implementation of the reform and it is accompanied by milestone #23 in this payment request and consists of binding rules for afforestation and reforestation. It will be followed by milestone #24, related to amendments/supplements to the legislation on forests. The reform has a final expected date for implementation of 30 September 2023. The reform is complemented by investments C2.I.1 and C2.I.2 with final expected date for implementation of 30 September 2024.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;</li> <li>ii. Copy of Government Decision No. 1227 of 5 October 2022 approving the National Forest Strategy 2020-2030 (hereinafter referred to as “the Strategy”), published in the Official Journal No. 980 of 10 October 2022, with the National Forest Strategy 2020-2030 as the annex to the Government Decision;</li> <li>iii. Independent reports: (i) Methodological approach and detail within the contract, by Transilvania University of Braşov, published in March 2022; (ii) Study on the description of possible scenarios of evolution a sector and identifying opportunities and challenges determined by the transposition in the forestry sector in Romania a EU forestry strategy, by Transilvania University of Braşov, published in April 2022; and (iii) Legislative and institutional challenges and opportunities in the forestry sector in Romania drawn up in the framework of the contract, by Transilvania University of Braşov, published in June 2022;</li> <li>iv. Nine independent studies by thematic working groups (TWG1-9): (1) Traceability of timber and first placing on the market, by A. Băban et al., from May 2022; (2) Obligation of result versus procedural obligations, by L. Bouriaud et al., from May 2022; (3) Manifestation of ownership of the technical decision in Forests, by G. Duduman et al., from May 2022; (4) Simplified procedures for monitoring forest properties, by I. Barnoaiea et al., from May 2022; (5) Service evaluation and compensation system ecosystem, by M.D. Daniel et al., from May 2022; (6) Segregation of biodiversity conservation from forest management vs. mainstreaming biodiversity conservation into forest management, by V.-N. Nicolescu et al., from May 2022; (7) Support instruments to increase the sector’s contribution to local economy, by A.-F. Hălălişan et al., from May 2022; (8) Preliminary timber market assessment/timber balance, by D. P. Dima et al., from May 2022; (9) Identification of the best options for species selection forest for afforestation of go-to land in conjunction with expected climate scenarios to ensure adaptation better on climate change, by C. Palaghianu</li> </ol>		

et al., from May 2022.

**Analysis:**

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

**National Forest Strategy 2020-2030 shall be adopted. Furthermore, in line with the description of the measure, the reform shall consist of the following actions: (1) Completion of independent studies on weaknesses in governance, both institutional and regulatory, and implementation of the provisions of the current forestry legislation (by 30 June 2022); (2) Adoption of the National Forest Strategy 2020-2030 on the basis of the recommendations of the assessment performed under (1) above (by 30 September 2022).**

The Romanian Government adopted Government Decision No. 1227/2022 of 5 October 2022, which included the National Forest Strategy 2020-2030 (hereinafter referred to as “the Strategy”) as its Annex. The Government Decision, of which the Annex is an integral part, as set out in its sole article, entered into force on the date of its publication in the Official Journal, on 5 October 2022, in accordance with Article 12(3) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts. The Council Implementing Decision required the adoption of the National Forest Strategy 2020-2030 by 30 September 2022. The National Forest Strategy entered into force on 5 October 2022, as evidenced by Government Decision No. 1227/2022. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the National Forest Strategy had entered into force at the time of the assessment.

Romania provided three independent study reports carried out by the Transylvania University of Brasov on weaknesses in (i) institutional governance, (ii) regulatory governance, and on (iii) the implementation of the provisions of the current forestry legislation. The study report on Methodological approach and detail contains the methodological approach, including expert consultations and scenario analysis, for conducting these studies. The study report on the opportunities and challenges of implementing the EU Forestry Strategy in the Romanian forestry sector examined the opportunities and challenges of implementing the EU forestry strategy in Romania, aligning national targets with EU objectives. The study report on legislative and institutional challenges and opportunities in the forestry sector in Romania addresses legislative and institutional challenges, suggesting updates to improve transparency, efficiency, and biodiversity integration in forest management. Requisite activities such as expert consultations, data collection, and the formulation of recommendations were documented and concluded. The identified topics in the reports were structured into nine thematic areas, as further explained below. Based on this, several thematic working groups (hereinafter referred to as “TWGs”) have been constituted, each one being associated with an identified topic/issue (see study titles of the respective TWG studies). The three study reports create the scientific base for this measure as they lay down the existing governance framework and the institutional and regulatory weaknesses and propose solutions and opportunities for overcoming these challenges. They have been completed and submitted to the Ministry of Environment, Waters and Forests by 30 June 2022, as demonstrated by their finalisation dates.

**The Strategy shall, on the basis of the recommendations of the independent studies, set out binding rules for afforestation and reforestation as follows:**

The Ministry of Environment, Water and Forests contracted the Faculty of Silviculture and Forest Engineering of the Transylvania University of Brasov, as well as external experts to develop



independent studies identifying and analysing the current forest governance system and to draft the National Forest Strategy 2020-2030 (Chapter 1.4 of the Strategy; page 8 (all further page numbers refer to the Strategy or its consecutively numbered annexes if not indicated otherwise)). Nine independent studies have been carried out by nine TWGs, covering five thematic areas (hereinafter referred to as "TA"): (i) supporting the socio-economic functions of the forest and boosting the forest bioeconomy within the limits of sustainability (TA1); (ii) protecting, restoring and expanding Romania's forests (TA2); (iii) strategic monitoring, collection, processing and reporting of forest data (TA3); (iv) communication, awareness, education and scientific research (TA4); and (v) efficiency and transparency in forest governance and forest management control (TA5).

Chapter 3 of the Strategy elaborates on each of the nine thematic areas (pages 14-44). Each TA covers one or more recommendation, which are called strategic direction of action (hereinafter referred to as "SDA"), for the achievement of which all necessary efforts and resources must be directed (page 12 of the Strategy). As indicated on page 12 of the Strategy, the implementation of each SDA requires meeting the outcome objectives set out in the Strategy, the achievement of which is tracked through monitoring indicators. As an example, TA1 aims to support the socio-economic functions of the forest and boosting the forest bioeconomy within the limits of sustainability. It includes four SDAs, like SDA1 – Promoting sustainable forest bioeconomy through long-lived timber products or SDA2 – Ensuring transparency and competitiveness in the timber market. The outcome objectives of SDA1 (page 15) are (i) technical rules on how to calculate the possibility in forest management plans use updated production tables, and (ii) technical rules regulate the production process differently from the size of the property. They are tracked by progress indicators which attribute a timeline like for example the update of production tables, scientifically based on recent data, by 2025.

Chapter 4 of the Strategy sets out the legal changes necessary to implement the recommendations (pages 45-49). Chapter 4.1 on the legal and regulatory reforms explains that the framework needs to better involve private forests owners into the forest management, through minimum management obligations, integrate biodiversity conservation, and harmonize conflicting laws (pages 45-46). Chapter 4.2 on the operational changes underlines the importance of strengthening the central public authority for forestry regarding its capacity for monitoring and control, and professionalization (page 46-47). Chapter 4.3 on financial resources summarizes needs, planning and monitoring of national and international financial means (pages 47-48). Chapter 4.4 on the implementation and monitoring sets out the need of a dedicated implementation unit with expert leadership is necessary for execution (pages 48-49).

Annex 1 to the Strategy includes the strategic considerations for the implementation of the lines of action of the Strategy, Annex 2 sets out the national forest management planning requirements, Annex 3 establishes the indicative timeline for the implementation of the outcome objectives of the Strategy, and Annex 4 sets out an action plan for the implementation of the Strategy. Therefore, the Strategy sets out legally binding rules for afforestation and reforestation by establishing mandatory provisions and a clear framework for implementation, with the explicit purpose of governing afforestation and reforestation practices. Furthermore, as an integral part of the Government Decision, the annexed Strategy has the same legal binding value as the Decision itself, and thus the rules set out in the Strategy are equally binding.

**a. Requirements for species and ecotypes to be climate-resilient and without negative impact on biodiversity. The strategy shall respond to the need to have updated guidelines on tree planting in Romania and shall create safeguards, in particular, to exclude the use or release of invasive alien species.**

Based on recommendations from TWG9, the Strategy aims to identify the best options for selecting forest species suitable for afforestation, correlating these options with expected climate scenarios to ensure their best possible adaptation to climate change. The TWG9 recommendations emphasise the choice of species for afforestation of agricultural land and limit the use of invasive alien wood species. Additionally, the TWG6 recommendations informed the guidelines for afforestation and reforestation practices. The Strategy, reflecting the TWG9 recommendations, includes SDA7, which is aimed at increasing forest cover through the afforestation of lands outside the designated forest land, with specific outcome objectives (e.g. outcome objective 7.2) focusing on the selection of appropriate species for afforestation. The Strategy responds to the need to have updated guidelines on tree planting in Romania and to create safeguards, in particular to exclude the use or release of invasive alien species by establishing the requirement that in the implementation of the National Forest Strategy 2020-2030 as regards afforestation, compliance with the following requirements is mandatory: a) the species and ecotypes to be used must be climate resilient and have no negative impact on biodiversity; updated guidelines on the planting of trees in Romania will be developed and will put in place, in particular, guarantees for non-use of invasive alien species; b) Forest reproductive material of tree species and ecotypes suitable for Romania's future climatic conditions will be produced in sufficient quantities and involving the private sector .

**b. Requirements for the production of reproductive material to target tree species and ecotypes that are suitable for Romania's future projected climatic conditions in sufficient quantities with the involvement of the private sector, and for measures to discourage the creation of commercial nurseries for short rotation or monoculture production.**

The Strategy, based on recommendations from TWG9 and TWG6, mandates the production of climate-appropriate reproductive material in sufficient quantities, with significant private sector involvement, as outlined in SDA7 of the Strategy (page 58). The Strategy states that the Specific Guides on Afforestation and Reforestation shall further detail these requirements, emphasising the use of species resilient to climate changes and suitable for future conditions (page 28). These guides shall stipulate that afforestation projects should use one or two main species best suited to the current and future pedological and climatic conditions, and that non-native species should only be used if they lead to favourable ecosystem conditions and if native species are no longer adapted (page 29).

Article 3(7) of Annex 1 to Ministerial Order No. 2533/2022 mandates that afforestation efforts use forest reproductive material from species and ecotypes appropriate for future climatic scenarios. This ensures that forest regeneration and afforestation efforts are aligned with anticipated climate changes.

**c. Requirements for afforestation to contribute positively to the objectives of biodiversity conservation, water management and soil protection by prohibiting afforestation or reforestation on agricultural land with high nature value, grassland or wetlands, excluding habitat restoration.**

SDA7 point (d) provides that afforestation activities must contribute positively to the objectives of biodiversity conservation, water management and soil protection by prohibiting afforestation or reforestation on high nature value agricultural land, grassland or wetlands. Specifically, afforestation on high-value agricultural land, meadows, or wetlands would be prohibited unless it involves habitat restoration. Based on the recommendations of TWG-9 and TWG-6, the Strategy provides for assessing the impact of climate change on species favourability and developing simplified solutions for afforestation on suitable agricultural land. The Strategy mandates using a variety of woody species to maintain specific biodiversity, recommending local or adapted species to handle frequent disturbances in forest ecosystems. Additionally, it calls for developing a list of invasive exotic woody

species in line with current European recommendations and testing better species or provenances adapted to drought and dryness in the medium to long term. These elements are outlined in Annex 1 to the Strategy, under SDA7.

**d. Requirements for preventive measures that increase the natural absorption capacity of the soil to be included in forest management activities and specific climate change adaptation requirements to ensure that forest management is based on species monitoring.**

The Strategy incorporates guidelines for preventive measures to enhance the natural absorption capacity of the soil as part of forest management activities. According to the recommendations of TWG9 and TWG6, the strategy includes point (d) for afforestation and reforestation, detailed in SDA6 (page 57), which sets out that one of the actions needed to ensure an adequate management for the stability of forest ecosystems is determining the degree of vulnerability of forests to the biotic, abiotic and anthropogenic disruptors. Point (e) provides that to ensure the stability of forest ecosystems their management must take due account of adaptation to climate change requirements and be based on active species vulnerability monitoring, while point (f) requires that preventive measures that increase the natural absorption capacity of the soil will be included in the management activities for the stability of forest ecosystems.

**e. Requirements for urban afforestation to be achieved through a landscape level approach that contributes to strengthening connectivity with natural or semi-natural areas (such as forests or agricultural areas) with a focus on linking habitats with green infrastructure and ecological corridors.**

SDA7 point (e) provides that urban afforestation must be achieved through a landscape level approach that contributes to strengthening connectivity with natural or semi-natural areas (such as forests or agricultural areas), focusing on connecting habitats with green infrastructure and ecological corridors (page 58). Based on the recommendations from TWG9 and TWG-3, the strategy includes increasing the area covered by forest vegetation through the afforestation of land for agricultural purposes and urban and peri-urban areas, as outlined in the study TWG9 (page 9). Specifically, Outcome Objective 6 highlights the goal of increasing the area of forests in urban and peri-urban regions to ensure landscape connectivity, with monitoring indicators including the identification of suitable areas for urban green infrastructure by the end of 2022 and the establishment of urban/peri-urban forests and green corridors. In Annex 1 to the Strategy, SDA7 (page 59) further outlines that urban afforestation must contribute to connectivity with natural or semi-natural areas, supporting the creation of green infrastructure and ecological corridors. Additionally, the Outcome Objective 7.6 (page 30) aims to increase forest areas in urban and peri-urban locations by the end of 2026 to ensure landscape connectivity.

**f. Requirements for afforestation and reforestation projects to be carried out in areas exposed and vulnerable to climatic hazards, in particular to drought and floods, and where appropriate afforestation or reforestation reduces the resulting risks.**

SDA7 point (f) provides that afforestation and reforestation projects are to be carried out in areas that are exposed and vulnerable to climate-related hazards, in particular to droughts and floods. It also requires afforestation and/or reforestation projects to reduce the identified risks (page 58). SDA 7.1 aims to identify lands suitable for afforestation in these vulnerable areas by 2024. Achievements include developing a guide for identifying such lands by early 2023 and identifying lands vulnerable to climatic risks suitable for afforestation. Progress by 2023 involves the development of the guide, the establishment of a platform for declaration, reporting, and verification of land eligibility, and the identification of areas (ha) suitable for afforestation. SDA 7.2 focuses on selecting species for

afforestation in areas vulnerable to climatic risks by early 2023. Achievements include studying the favourability of woody species for these areas and developing a simplified regulatory framework to promote specific biodiversity and local or adapted provenances of native species. Progress by 2023 includes creating a list of recommended species and their densities for afforestation compositions in these vulnerable areas and developing a best practice guide to encourage the use of multiple species to promote biodiversity.

**g. The Strategy shall set out sustainability criteria for forest biomass for energy use.**

SDA3 aims at increasing the contribution of the forestry sector to the economic development of rural communities (pages 52-54). In point (C) on the sustainable production of forest biomass for energy purposes, the following sustainability criteria are set out: (a) energy forest biomass must be produced through sustainable forest management (taking into account at least the continuity of forest existence, the principle of continuity of timber crops, the promotion of natural regeneration and the fundamental natural type of forest, species and habitats diversity, management of deadwood); (b) energy forest biomass must be put on the market in accordance with the principles of cascading use of wood and the circular economy, the waste hierarchy as well as legality in terms of provenance and financing (subsidising); it also requires not to incentivise the development of industrial facilities for the production of energy from forest biomass; (c) the production of energy forest biomass must take into account national and international objectives relating to carbon absorption, soil quality, biodiversity conservation and increased resilience of forest ecosystems; and (d) in the energy use of forest biomass, account must be taken of the requirements of forest-dependent communities, their impact on them, respect for third party rights, respect for working conditions and added value at the level of local communities.

**h. The Strategy shall include specific actions to tackle illegal logging, such as a full implementation of SUMAL including logging monitoring through remote-sensing, strengthening of the sanctions regime, and other measures as appropriate.**

SDA2 aims at ensuring transparency and competitiveness in the timber market (pages 51-52). Point (A) of the description of SDA2 in the National Forest Strategy on the traceability and first placing on the market of timber states that SUMAL shall continue to be used and its effectiveness shall be increased through new functions as remote-sensing logging monitoring, strengthening sanctions, calculating the volume of harvested wood, and monitoring its transport to end users. The conceptual model described under point (A) proposes a few coordinates for improving the effectiveness of SUMAL and improving wood traceability after its introduction on the market. Coordinate (a) suggests that forest owners should have the flexibility to choose how they commercialise wood, whether standing or processed, with a regulatory push for public forests to favour selling processed wood. Coordinate (b) proposes that the pre-marking of trees for extraction should be regulated primarily as an internal monitoring tool to ensure correct forestry practices, rather than as a central control mechanism.

Coordinate (c) recommends that owners and operators should establish and declare the origin of the wood and ensure its traceability up to its first market introduction. Coordinate (d) specifies that the declaration of wood exploitation should include the location of origin, the estimated volume based on planned silvicultural intervention, the execution timelines, and clearly defined market entry point, including GPS coordinates.

Coordinate (e) suggests that the measurement of wood volume at market entry should be conducted by authorized personnel using certified methods, ensuring accuracy and quality assessment. Coordinate (f) calls for a simple and uniform definition of the types of wood products

that are introduced to the market within the regulatory framework.

Coordinate (g) says that SUMAL should be used to strictly regulate the traceability of wood from its first market introduction to its initial transformation, with measures in place to reduce the risk of unmeasured wood entering the market. Coordinate (h) proposes that SUMAL should issue dedicated documents certifying the origin of wood within the supply chain, linked to the owner's or operator's declaration and the wood materials dispatch notice.

Coordinate (i) assigns the responsibility for ensuring traceability beyond the first transformation along the supply chain to the economic operators, which should implement this through their internal procedures. Coordinate (j) recommends that economic operators input information into SUMAL beyond the first transformation to support their due diligence systems for traceability, assist authorities in creating wood market reports, and help evaluate the added value in vertical value chains.

Finally, coordinate (k) stresses that SUMAL should ensure transparency in the introduction and circulation of wood on the market, providing public access to relevant data while maintaining the confidentiality of transactions.

The measurement indicator for Milestone 167 specifies that an operational system to combat illegal logging should be established by Q4 2024, as detailed in Annex 3 to the Strategy, table 4 (page 71). A land ownership database shall be included into SUMAL by Q4 2024, as required by milestone #167, which will be part of the sixth payment request. The strategic considerations also stress the development of a wood traceability system by 2025, adhering to EUTR and deforestation-free principles.

SDA13 outlines the need for innovative tools to support traceability control, such as digital fingerprints, electronic seals, video tools, and remote sensing technologies. More concretely, it aims at ensuring efficiency and transparency of the control of the legality of forestry activities (pages 64-65). Additionally, integrated IT services for surveillance and monitoring will be implemented as part of the Digital Transformation – Environmental Digitization initiative. The development of an operational monitoring system using satellite imagery will help generate alerts for unauthorised logging activities and verify compliance on the ground. Advanced geospatial analysis platforms, mobile field verification applications, and a webGIS portal will be established to automate the detection of changes in the forest canopy and standardise field checks.

The legislative framework also supports efforts against illegal logging, particularly through the revision of the Forestry Code under M24 of the fourth payment request. The draft of the New Forestry Code introduces changes to the criminal sanctions system. This includes the calculation and recovery of damages resulting from illegal logging activities.

**i. The Strategy shall also include concrete measures for protecting forest habitats and species, and particularly the alignment of forestry norms with biodiversity considerations.**

Based on the recommendations study TWG 6 (pages 11-13), the Strategy sets forth several outcome objectives for protecting forest habitats and species and aligning forestry norms with biodiversity considerations (page 23-25 of the Strategy). These include updating the legislative framework to integrate biodiversity conservation in forest management by 2024 (Annex 3 of the Strategy, table 1, Outcome Objective 5.1., page 69), developing and implementing good practice guides on biodiversity conservation within two years of updating the Forestry Code (table 2, Outcome Objective 5.2., page 70), and ensuring that 10% of the national forest fund's ecosystems with conservation value are protected by 2030, aligning with European biodiversity objectives (table 4,

Outcome Objective 5.3., page 72). Additionally, the strategy includes implementing a financial compensation system for imposed restrictions and disadvantages due to biodiversity conservation regimes from 2025 (table 3, Outcome Objective 5.4., page 71), and establishing a funding system to stimulate the integration of biodiversity conservation in forest management from 2025.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 23</b>	<b>Related Measure: Reform of forest management and governance systems through the development of a new National Forest Strategy and subsequent legislation</b>	
<b>Name of the Milestone:</b> Entry into force of amended Ministerial Ordinances laying down binding rules for afforestation and reforestation foreseen in the National Forestry Strategy 2020-2030		
<b>Qualitative Indicator:</b> Provision in the Ministerial Ordinances indicating the entry into force of the amendments		<b>Time:</b> Q3 2022
<b>Context:</b>		
<p>The objective of reform C2.R1 is to ensure a clear and robust strategic and regulatory framework for the implementation of sustainable forest policies that support climate change mitigation and adaptation. Milestone #23 concerns the entry into force of amended Ministerial Ordinances laying down the binding rules for afforestation and reforestation envisaged by the National Forest Strategy 2020-2030 adopted under milestone #22 (see fiche above).</p> <p>Milestone #23 is the second milestone of the reform, and it follows the completion of milestone #22 (see fiche above) related to the adoption of the National Forest Strategy 2020-2030. It will be followed by milestone #24, related to the entry into force of legal acts amending or supplementing the legislation on forests. The reform has a final expected date for implementation of 30 September 2023. The reform is complemented by investments C2.I1 and C2.I2 with final expected dates for implementation of 30 September 2024.</p>		
<b>Evidence provided:</b>		
<p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;</li> <li>ii. Copy of Ministerial Order of the Minister for Water and Forestry No. 1945 of 26 October 2021 amending and supplementing the technical rules for the preparation of forest management plans, amendment of their provisions and change of land use category forestry, approved by Order No. 766/2018 (hereinafter referred to as “Ministerial Order No. 1945/2021”), published in the Official Journal No. 1043 of 1 November 2021, entered into force on the same date. ;</li> <li>iii. Copy of Ministerial Order of the Minister for Water and Forestry No. 2533 of 28 September 2022 accepting the Technical Rules on the compositions, schemes and technologies offering forest regeneration and the afforestation of Degraded lands and of the Guide on the mergers, schemes and technologies offering forest regeneration and the fulfilment of Degraded lands (hereinafter referred to as “Ministerial Order No. 2533/2022”), published in the Official Journal No. 1000 of 14 October 2022;</li> </ol>		

- iv. Copy of Ministerial Order of the Minister for Water and Forestry No. 2534 of 28 September 2022 accepting the Technical Norms on the care and management of tree stands and of the Guide to Good Practice on the Care and Management of Tree Stands (hereinafter referred to as “Ministerial Order No. 2534/2022”), published in the Official Journal No. 989 of 12 October 2022;
- v. Copy of Ministerial Order of the Minister for Water and Forestry No. 2535 of 28 September 2022 accepting the Technical Rules on the choice and application of penalties and the Guide to Good Practice on the choice and application of communications (hereinafter referred to as “Ministerial Order No. 2535/2022”), published in the Official Journal No. 994 of 13 October 2022;
- vi. Copy of Ministerial Order of the Minister for Water and Forestry No. 2537 of 28 September 2022 extending the Technical Norms on regeneration of forests and annual control of regeneration and the Guide to Good Practice on forest regeneration and annual monitoring of regeneration (hereinafter referred to as “Ministerial Order No. 2537/2022”), published in the Official Journal No. 995 of 13 October 2022;
- vii. Copy of Ministerial Order of the Minister for Water and Forestry No. 2536 of 28 September 2022 approving the Technical Rules for forest management and the Guide to Good Practice on Forest Planning (hereinafter referred to as “Ministerial Order No. 2536/2022”), published in the Official Journal No. 999 of 14 October 2022;
- viii. Copy of Government Decision No. 1227 of 5 October 2022 approving the National Forest Strategy 2020-2030 (hereinafter referred to as “the Strategy”), published in the Official Journal No. 980 of 10 October 2022, with the National Forest Strategy 2020-2030 as the annex to the Government Decision;
- ix. Copy of Government Emergency Ordinance No. 163 of 29 November 2022 supplementing the legal framework for the promotion of the use of energy from renewable sources and for the way in which certain legislative acts are defined and supplemented, published in the Official Journal No. 1165 of 6 December 2022.

**Analysis:**

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

**Entry into force of the following amended Ministerial Ordinances (MO) in line with the binding rules for afforestation and reforestation foreseen in the National Forest Strategy 2020-2030:**

**a. Order no. 766/2018 regarding the elaboration and amendment of forest management plans, including of the provisions for land use of forest land, as well as of the Methodology regarding the approval of annual windthrow harvesting quotas.**

Ministerial Order No. 1945/2021 was approved by the Minister for Water and Forestry on 26 October 2021. It amends and supplements the technical rules for the preparation of forest management plans, and amendment of their provisions and change of land use category forestry, approved by Ministerial Order No. 766/2018. Strategic direction of action (SDA) 5 of the Strategy proposes restrictions on the change of land use categories. Moreover, SDA9 of the Strategy calls for a Forest Register which shall make it possible to differentiate the structure of the information according to criteria such as the nature and size of the property, the form of management, the category of use, the functional category of the forest and the structure of the forest, the protected natural areas.

A newly added Article 1.1 specifies the validity of forest management plans, allowing for regeneration, maintenance, harvesting, and infrastructure works during the validity period without

needing to amend the forest management plan. Moreover, Article 1(1)(a)(1) has been amended to include details of the forest management plans as responsibilities, streamlining of coordination, distribution by county of the forest area and projects, and works, and actions proposed under the forestry management plan. A forest management map shall show the current status and proposed activities, overlapping with protected species and habitats in Natura 2000 sites.

Article 1, point 4 allows various forestry activities to continue during the validity of the forest management plans, ensuring that land use remains consistent with approved plans.

Regarding the methodology for the approval of annual windthrow harvesting quotas, Article 2(1)(b) modifies criteria for harvesting trees affected by biotic or abiotic factors, specifying the conditions under which these trees can be extracted and the methods for assessing the volume of affected trees.

Article 2(1)(b1) introduces a new subparagraph allowing for the authorization of harvesting trees affected by wind, snow, and fires after submitting the approved valuation to the competent territorial structure. New point (g) in Article 2(1) addresses forestry works from approved forest management plans that overlap with Natura 2000 sites and have not undergone environmental assessment.

Ministerial Order No. 1945/2021 was published in the Official Journal No. 1043 of 1 November 2021 and entered into force on the date of the publication in the Official Journal, according to the provisions of Article 12(3) of Law No. 24/2000 on legislative technique rules for drafting legal acts.

This order is aligned with the specific objectives of the National Forest Strategy to support the socio-economic functions of forests and protect, restore and expand Romania's forests (page 11).

**b. Order no. 1648/2000 on the approval of technical rules on compositions, schemes and technologies for forest regeneration and afforestation of degraded land**

Ministerial Order No. 2533/2022 was approved by the Minister for Water and Forestry on 28 September 2022. It approves the technical rules for compositions, schemes and regeneration technologies of forests and afforestation of degraded land and the Good Practice Guide on Composition, schemes and technologies for forest regeneration and afforestation of degraded land. In Article 4, Ministerial Order No. 2533/2022 provides that with its entry into force Ministerial Order No. 1648/2000 ceased to apply. Ministerial Order No. 2533/2022 in the Official Journal No. 1000 on 14 October 2022 and entered into force on the same date, according to the provisions of Article 12(3) of Law No. 24/2000 on legislative technique rules for drafting legal acts.

The National Forest Strategy prescribes requirements for afforestation and reforestation to ensure species and ecotypes are climate-resilient and do not adversely affect biodiversity. Specifically, the Strategy mandates: "Requirements for species and ecotypes to be climate-resilient and without negative impact on biodiversity. The strategy shall respond to the need to have updated guidelines on tree planting in Romania and shall create safeguards, in particular, to exclude the use or release of invasive alien species" under point a) of SDA 7. This requirement is justified by Annex 1 of the amended Ministerial Order No. 1648/2000, Article 3, which states: "(6) The species and ecotypes used in afforestation shall be climate-resistant and without negative impact on biodiversity. (7) In afforestation, forest reproductive material of tree species and ecotypes that are appropriate to future climatic conditions of Romania shall be used."

Furthermore, the Strategy stipulates under point b) of SDA7: "Requirements for the production of reproductive material to target tree species and ecotypes that are suitable for Romania's future



projected climatic conditions in sufficient quantities with the involvement of the private sector, and for measures to discourage the creation of commercial nurseries for short rotation or monoculture production." Article 3(7) of Annex 1 of the amended Ministerial Order No. 1648/2000 enacts this requirement by requiring that forest reproductive material of tree species and ecotypes that are suitable for Romania's future climatic conditions will be used for afforestation, therefore complying with the requirement for the National Forest Strategy 2020-2030 set out in point (b) of milestone #22.

The Strategy stipulates under point d) of SDA7: "Requirements for afforestation to contribute positively to the objectives of biodiversity conservation, water management, and soil protection by prohibiting afforestation or reforestation on agricultural land with high nature value, grassland or wetlands, excluding habitat restoration." Article 3(8) of Annex 1 of the amended Ministerial Order no. 1648/2000 enacts this requirement by stating that afforestation or reforestation on high nature value agricultural land, grassland or wetlands shall be prohibited, except habitat restoration, which contributes positively to the objectives of biodiversity conservation, water management and soil protection, therefore complying with the requirement for the National Forest Strategy 2020-2030 set out in point (c) of milestone #22. Under point e) of SDA7, the Strategy mandates specific requirements for urban afforestation to enhance ecological connectivity and sustainability. The strategy specifies: "Requirements for urban afforestation to be achieved through a landscape level approach that contributes to strengthening connectivity with natural or semi-natural areas (such as forests or agricultural areas) with a focus on linking habitats with green infrastructure and ecological corridors." This requirement is justified by Article 3(9) of Annex 1 of the amended Ministerial Order No. 1648/2000 enacts this requirement by, providing that urban afforestation must be carried out through a landscape approach that contributes to strengthening connectivity with natural or semi-natural areas, with a focus on connecting habitats with green infrastructure and ecological corridors, therefore complying with the requirement for the National Forest Strategy 2020-2030 set out in point (e) of milestone #22. Finally, point f) of SDA7 in the Strategy stipulates: "Requirements for afforestation and reforestation projects to be carried out in areas exposed and vulnerable to climatic hazards, in particular to drought and floods, and where appropriate afforestation or reforestation reduces the resulting risks." Article 3(10) of Annex 1 of the amended Ministerial Order No. 1648/2000 enacts this requirement by requiring the establishment of special requirements for afforestation and reforestation projects to be carried out in areas exposed to and vulnerable to climate hazards, in particular drought and floods, therefore complying with the requirement for the National Forest Strategy 2020-2030 set out in point (f) of milestone #22.

This order is aligned with the specific objectives of the National Forest Strategy to support the socio-economic functions of forests and protect, restore and expand Romania's forests (page 11).

**c. Order no. 1649/2000 on the approval of the Technical Norms for the care and management of stands**

Ministerial Order No. 2534/2022 was approved by the Minister for Water and Forestry on 28 September 2022. It approves the technical rules for the care and management of stands and the Guide to good practice on the care and management of stands. Article 4 of Ministerial Order No. 2537/2022 provides that with its entry into force Ministerial Order No. 1649/2000 ceased to apply. Ministerial Order No. 2534/2022 was published in the Official Journal No. 989 on 12 October 2022 entered into force on the same date, according to the provisions of Article 12(3) of Law No. 24/2000 on legislative technique rules for drafting legal acts.

Point e) of SDA6 in the Strategy stipulates: "Management for the stability of forest ecosystems will include requirements on adaptation to climate change to ensure that forest management is based

on active species vulnerability monitoring". Moreover, point f) of SDA6 in the Strategy stipulates: "preventive measures that increase natural soil absorption capacity will be included in management activities for the stability of forest ecosystems". Article 2(2) of Ministerial Order No. 2534/2022 provides that the work carried out must increase the natural soil absorption capacity and consider meeting the specific requirements for adaptation to climate change. Therefore, it complies with the requirement for the National Forest Strategy 2020-2030 set out in point (d) of milestone #22.

This order is aligned with the specific objective of the National Forest Strategy to protect, restore and expand Romania's forests (page 11).

**d. Order no. 1650/2000 on the approval of the Technical Norms on the choice and application of treatments**

Ministerial Order No. 2535/2022 was approved by the Minister for Water and Forestry on 28 September 2022. It approves the technical rules for compositions, schemes and regeneration technologies of forests and afforestation of degraded land and the Good Practice Guide on Composition, schemes and technologies for forest regeneration and afforestation of degraded land. SDA6.2 in the Strategy mandates the implementation of updated technical norms that distinguish clearly between regeneration cuts and conservation works, and it emphasises the efficient use of seed years and the creation of highly stable stands. Ministerial Order No. 2535/2022 incorporates these updated norms and best practices to fulfil the objectives set out in SDA6. The technical rules touch upon several key factors, including new research over the past 20 years on intensive treatments, a complex approach to special conservation works (notably for coppice-treated stands and selected American poplars and willow), and the necessity of detailing treatment techniques where classic regeneration cuts require supplemental ecological reconstruction. Additionally, they also consider the changes in the legal regime of forest lands over the last two decades and emphasizes a distinct approach to biodiversity conservation and enhancement. Article 4 of Ministerial Order No. 2535/2022 provides that with its entry into force Ministerial Order No. 1650/2000 ceased to apply. Ministerial Order No. 2535/2022 was published in the Official Journal No. 994 on 13 October 2022 and entered into force on the same date, according to the provisions of Article 12(3) of Law No. 24/2000 on legislative technique rules for drafting legal acts.

This order is aligned with the specific objective of the National Forest Strategy to protect, restore and expand Romania's forests (page 11).

**e. Order no. 1653/2000 regarding the approval of the Technical Norms regarding the annual control of regenerations**

Ministerial Order No. 2537/2022 was approved by the Minister for Water and Forestry on 28 September 2022. It approves the technical rules for forest regeneration and carrying out of annual controls of regeneration and the guide to good practices on forest regeneration and carrying out the annual control of regeneration. It is aligned with the objectives of especially SDA6 in the Strategy, the "Adequate management for the stability of forest ecosystems" and SDA7, the "Increase of forest cover by afforestation of non-forest land". Article 4 of Ministerial Order No. 2537/2022 provides that with its entry into force Ministerial Order No. 1653/2000 ceased to apply. Ministerial Order No. 2537/2022 was published in the Official Journal No. 995 on 13 October 2022 and entered into force on the same date, according to the provisions of Article 12(3) of Law No. 24/2000 on legislative technique rules for drafting legal acts.

This order is aligned with the specific objective of the National Forest Strategy to restore and expand Romania's forests (page 11).

**f. Order no. 1672/2000 regarding the approval of the Technical Norms for forest management**

Ministerial Order No. 2536/2022 was approved by the Minister for Water and Forestry on 28 September 2022. It approves the technical rules for forest management and the Guide to Good Practice on Forest Planning. It includes methodologies and practices for forest planning, which are designed to ensure the continuity of forest ecosystems, the protection of biodiversity, and the sustainable production of forest resources. These objectives are in line with the National Forest Strategy's vision of ensuring that Romania's forests are healthy, resilient, and diverse, managed through appropriate instruments tailored to the needs for the continued provision of vital ecosystem services, sustainable wood production, and the protection of valuable forest ecosystems, as set out for example under SDA6 in the Strategy: "Adequate management for the stability of forest ecosystems". Articles 25 to 27 of Ministerial Order No. 2536/2022 include binding rules for biodiversity protection through defining which type of works are allowed in which types of forest, and rules to ensure the conservation of biological diversity as listed in point (i) of the description of milestone #22 sets out concrete measures for protecting forest habitats and species, and particularly the alignment of forestry norms with biodiversity considerations. Article 4 of Ministerial Order No. 2536/2022 provides that with its entry into force Ministerial Order No. 1672/2000 ceased to apply. Ministerial Order No. 2536/2022 was published in the Official Journal No. 999 on 14 October 2022 and entered into force on the same date, according to the provisions of Article 12(3) of Law No. 24/2000 on legislative technique rules for drafting legal acts.

**Furthermore, in line with the description of the measure, the reform shall consist of the following actions: (3) Adoption and entry into force of amended Ministerial Ordinances laying down the binding rules for afforestation and reforestation foreseen in the National Forest Strategy 2020-2030 adopted under (2) (by 30 September 2022)**

Point (g) of the description of milestone #22 states that the Strategy shall set out sustainability criteria for forest biomass for energy use. SDA3 also requires setting out criteria, such as: "Forest biomass intended for energy purposes must be produced through sustainable forest management, which must at least consider the continuity of forest existence, the principle of continuous wood harvesting, the promotion of natural regeneration and the fundamental natural forest type, species diversity, and the management of deadwood" (point C, page 53 of the Strategy). Article 29(6-13) of Government Emergency Ordinance No. 163/2022 sets out the sustainability criteria of forest biomass for energy use.

Point (h) of the description of milestone #22 states that the Strategy shall include specific actions to tackle illegal logging, such as a full implementation of SUMAL including logging monitoring through remote-sensing, strengthening of the sanctions regime, and other measures as appropriate. SDA2 of the Strategy, which focuses on ensuring transparency and competitiveness in the wood market, states that the SUMAL system will continue to be used, with ongoing efforts to increase its effectiveness, and sets out a series of principles for improving the regulatory framework. SUMAL is currently used and will be extended in its functionality under milestone #167, which will be part of the sixth payment request. Other measures, as explained in the previous assessment fiche for milestone #22, such as timber monitoring, improved control of forest management and modification of the legal framework for sanction will be included into the New Forestry Code under milestone #24, which will be part of the fourth payment request.

The Council Implementing Decision required the adoption of the National Forest Strategy 2020-2030 by 30 September 2022. The National Forest Strategy entered into force on 5 October 2022, as evidenced by Government Decision No. 1227/2022. Whilst this constitutes a minimal substantive

deviation from the requirement of the Council Implementing Decision, the National Forest Strategy had entered into force at the time of the assessment.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 66	<b>Related Measure:</b> Sustainable transport, decarbonisation and road safety / Road safety	
<b>Name of the Milestone:</b> Entry into force of the road safety – legislation - legislation on monitoring, enforcement and sanctions on road safety offences		
<b>Qualitative Indicator:</b> Provision in the legislation indicating the entry into force of the road safety legislation		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Reform C4.R1 on sustainable transport, decarbonisation and road safety aims to support the transition towards sustainable and smart mobility by improving the strategic, legal and operational framework of the transport system in Romania. The sub-measure C4.R1.3 concerning road safety requires the adoption of a National Road Safety Strategy and its implementation by means of legislative changes and the entry into force of enforcement measures.</p> <p>Milestone #66 requires the entry into force of legislative changes regarding road safety to: (i) enforce compliance rules and introduce higher penalties for breaches of the law; (ii) monitor road offences using automatic equipment; (iii) reduce speed limits in specific areas or roads based on accidents data/risk analysis and best practices at EU level; (iv) introduce speed management system and mandatory safety features, including revising traffic rules and priority for vulnerable users; (v) phase out old/deficient vehicles from the national register, and (vi) increase safety inspections and checks. Road safety legislation aim to reach a 50% reduction of fatalities in road accidents by 2030 compared to 2019, in line with the EU Road Safety Policy Framework 2021-2030.</p> <p>Milestone #66 is the second milestone in the implementation of the reform, and it follows the completion of milestone #65, related to the adoption of the National Road Safety Strategy and assessed as satisfactorily fulfilled in the context of Romania’s second payment request. It will be followed by target #67 related to the installation of equipment to increase speed enforcement and compliance with road safety rules and target #68 requiring a reduction in the number of road accident victims by at least 25% compared to 2019. The reform has a final expected date for implementation in Q1 2026.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Copy of Government Ordinance No. 1 of 27 January 2022 amending and supplementing the Government Emergency Ordinance No. 195/2002 for traffic on public roads, published in the Official Journal No. 89 of 28 January 2022.</li> <li>iii. Copy of Law No. 383 of 29 December 2022 regarding some measures to improve the efficiency of road traffic monitoring, published in the Official Journal No. 1279 of 30 December 2022.</li> <li>iv. Copy of Government Decision No. 682 of 25 May 2022 for the approval of the National Road Safety Strategy, published in the Official Journal No. 535 of 31 May 2022 and Annexes,</li> </ol>		

- including the Statement of reasons, published in the Official Journal No. 535 of 31 May 2022.
- v. Copy of Government Decision No. 144 of 22 February 2022 for the amendment of annexes no. 1 and 2 to the National Strategy on road safety for the period 2022-2030, approved by Government Decision no. 682/2022, published in the Official Journal No. 157bis on 23 February 2023.
  - vi. Copy of Report No. 2707913 of 6 June 2022 regarding the Analysis of road traffic accidents and Annex, issued by the General Inspectorate of the Romanian Police – Traffic Directorate.
  - vii. Copy of Government Ordinance No. 3 of 27 January 2022 amending and supplementing Law no. 265/2008 regarding the management of traffic safety on the road infrastructure, published in the Official Journal No. 91 of 28 January 2022.
  - viii. List of changes to traffic rules legislations in the period 2020 – 2030, issued by the Ministry of Transport on 25 January 2024.
  - ix. Copy of Law No. 302 of 15 November 2022 amending paragraph 1 of Article 64 of the Government Emergency Ordinance No. 195/2002 on traffic on public roads, published in the Official Journal No. 1107 of 17 November 2022.
  - x. Copy of Law No. 134 of 13 May 2022 amending GEO No. 195/2002 on traffic on public roads, published in the Official Journal No. 477 of 13 May 2022.
  - xi. Copy of Government Decision No. 1075 of 4 October 2021 amending and supplementing the Regulation implementing the Emergency Ordinance of the Government no. 195/2002 on traffic on public roads, approved by Government Decision No. 1.391/2006, published in the Official Journal No. 954 of 6 October 2021.
  - xii. Copy of Government Emergency Ordinance No. 13 of 4 February 2020 amending GEO 195/2002 on traffic on public roads, published in the Official Journal No. 102 of 11 February 2020.
  - xiii. Copy of Law No. 85 of 12 April 2022 amending Government Ordinance No. 43/1997 on the road regime, for amending and supplementing the Emergency Ordinance of the Government no. 195/2002 on traffic on roads public law, as well as for the completion of the Law No. 255/2010 on expropriation for the cause of public utility, necessary for the achievement of objectives of national, county and local interest, published in the Official Journal No. 366 of 13 April 2022.
  - xiv. Copy of Law No. 278 of 4 October 2022 amending GEO 195/2002 on traffic on public roads, published in the Official Journal No. 967 of 4 October 2022.
  - xv. Copy of Ministerial Order No. 2261 of 23 August 2022 for the approval of the Financing Guide of the Used Vehicle Scrapping Program, published in the Official Journal No. 832 of 24 August 2022.
  - xvi. Copy of Report No. 2715218/54/LMD of 7 October 2022 on road safety controls, issued by the General Inspectorate of the Romanian Police – Traffic Directorate.
  - xvii. Copy of Ministerial Order No. 2262 of 8 November 2022 regarding the amendment of the Order of the Minister of Transport No. 1679/2017 for the approval of the Methodology for contracting the road safety impact assessment and road safety audit, for the designation and work of road safety auditors, of the framework contracts concluded by the Romanian Road Authority - R.R.A. with investors, contractors/mandated designers, as well as with road safety auditors, published in the Official Journal No. 1183 of 9 December 2022.
  - xviii. Copy of Ministerial Order No. 2263 of 8 November 2022 regarding the amendment and completion of the Order of the Minister of Transport no. 606/2017 for the approval of the Road Safety Inspection Contracting Methodology, of the Framework Contract concluded between the Romanian Road Authority – R.R.A. and road administrators, of the methodologies for carrying out road safety inspections, of the list of mandatory provisions that can be ordered by the road safety inspection report, of the model of the nominal control ID, of the model of the reports of the finding and sanctioning of contraventions ,

equipment and registration of inspection and control vehicles, as well as the equipment necessary to carry out road safety inspections, published in the Official Journal No. 1189 of 12 December 2022.

- xix. Copy of the Report presenting road sectors where speed limit reductions were implemented on the basis of the Annex to the Report No. 2707913 of 6 June 2022 regarding the 'Analysis of road traffic accidents', issued by the General Inspectorate of the Romanian Police – Traffic Directorate and the corresponding 16 reports justifying the implementation of speed limit reductions.
- xx. Copy of Ministerial Order No. 1218 of 1 July 2022 amending the Regulations on the periodic technical inspection of vehicles registered in Romania - RNTR 1, approved by the Ministerial Order No. 2.133/2005, published in the Official Journal No. 711 of 15 July 2022.
- xxi. Copy of Government Emergency Ordinance No. 195 of 12 December 2002 regarding traffic on public roads, published in the Official Journal No. 958 of 28 December 2002 and republished in the Official Journal No. 670 of 3 August 2006.
- xxii. Copy of Law No. 265 of 7 November 2008 regulating the management of traffic safety on road infrastructure, published in the Official Journal No. 777 of 20 November 2008.
- xxiii. Copy of Ministerial Order No. 2133 of 8 December 2005, published in the Official Journal No. 1160 of 21 December 2005.

**Analysis:**

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

**The following legislative changes promoting road safety shall be introduced:**

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

Government Ordinance No. 1 of 27 January 2022 (hereinafter referred to as GO 1/2022) amended Government Emergency Ordinance No. 195 of 28 December 2002 (hereinafter referred to as GEO 195/2002), setting out the main legislation regarding traffic rules on public roads, to introduce provisions defining illegal behaviour on public roads, increasing sanctions for existing rules, and improving the process for imposing sanctions. In particular: (i) Article I(2) introduces a new sanction allowing the police to withhold the driving licence when the driver could not be tested to determine the alcohol/psychoactive substances concentration in the exhaled air and for which a medical examination was necessary to confirm the presence of these substances; (ii) paragraphs 6 and 9 under Article I, introduced new administrative penalties such as the interdiction to drive a vehicle in Romania using a driving licence issued by a foreign authority for which there is a permanent Court decision to annul that driving licence; (iii) paragraph 12 of the same article introduced a new contravention for aggressive behaviour in traffic; (iv) paragraph 15 introduced a new contravention for failure to comply with the obligation to permanently keep clean the windscreen, rear window and side windows of vehicles, agricultural or forestry tractors, if this restricts the visibility while driving; (v) paragraph 17 introduced new contraventions and an increase to a class III sanction from the previous class II, including the suspension of the driving licence for 60 days for not granting priority to pedestrians or vehicles, for aggressive behaviour resulting in an accident or for non-compliance with overtaking rules; (vi) Article I(20) introduced new contraventions and a class IV sanction from the previous class III sanction, including the suspension of the driving license for 90 days for unjustified driving on highway emergency lanes or non-compliance with the overtaking rules, in case it caused a traffic accident producing vehicle or material damages; (vii) Article I(21) introduced new contraventions and a class IV sanction from the previous class III sanction, including the suspension of the driving license for 120 days for exceeding with more than 70 km/h the maximum allowed speed limit, not stopping at the red light at railway level crossing or for various illegal driving manoeuvres such as U-turns on highways, changing traffic direction by crossing unallowed sections of the road; (viii) paragraph 23 of this article increased the suspension of the right to drive from 90 days to 180 days when the driver was investigated for an offense against

traffic safety on public roads, in case the accident included victims or the Court ruled for the case to be classified, dismissed, postponed or the driver was convicted. In accordance with Article 98(4) of GEO 195/2002, the sanction classes are defined as follows: (i) class I refers to 2 or 3 fine points; (ii) class II refers to 4 to 5 fine points; (iii) class III refers to 6 to 8 fine points; (iv) class IV refers to 9 to 20 fine points, and (v) class V refers to 21 to 100 fine points, where one fine point represents 10% of the minimum national gross wage, as stated under Article 98(2) of the same Government Emergency Ordinance. GO 1/2022 was published in the Official Journal No. 89 on 28 January 2022 and entered into force on 31 January 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

**- monitoring of road offences by automatic equipment (video cameras, sensors);**

Law No. 383 of 29 December 2022 regarding some measures to improve the efficiency of road traffic monitoring was published in the Official Journal No. 1279 on 30 December 2022 (hereinafter referred to as Law 383/2022) and entered into force on 2 January 2023, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Its Article 1 establishes the Integrated Road Traffic Monitoring System on public roads in Romania (so-called 'e-SIGUR'), which is complementary to the Intelligent Transport Systems (ITS). Article 2 of the Law specifies that road traffic monitoring is performed by means of intelligent transport systems. Furthermore, paragraph (a) of Article 3(1) and Article 4(1) provide that e-SIGUR relies on technical and communications systems described in the Law as any equipment, including component elements of intelligent transport systems, which allows to automatically collect images, sounds, information on the speed of a vehicle, information on weather conditions or other relevant information for the purpose of road traffic monitoring. On page 2 of the statement of reasons of Law 383/2022, a specific reference is made to video cameras and sensors as the type of equipment to be used for such monitoring purposes.

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

Government Decision No. 682 of 25 May 2022 approving the National Road Safety Strategy (hereinafter referred to as GD 682/2022), published in the Official Journal No. 535bis on 31 May 2022 and entered 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. GD 682/2022 introduced a specific objective, namely OS2, aiming to reduce speed limits in certain areas or roads based on data from risk analysis and best practices at EU level, introducing speed management and mandatory safety features, and revision of traffic rules, including with regard to priority for vulnerable users (page 18). This objective has corresponding actions within Annexes 1 (page 13) and 2 (pages 35 and 36) of the Strategy, as amended by Government Decision No. 144 of 22 February 2022, which refer to: i) the identification of road sectors where speed limits should be reduced and ii) implementing reduced speed limits, to eliminate the risk areas referred to as hotspots on the national road network. Government Decision No. 144 of 22 February 2022 entered into force on 23 February 2023 with its publication in the Official Journal No. 157bis, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Within this framework and following the above-mentioned actions, the authorities produced Report No. 2707913 of 6 June 2022 ("Analysis of road traffic accidents"), which sets out the methodology, checks, and results, and identifies 171 national road accident hotspots per each county/highway. In particular, the Annex to Report No. 2707913 identified 75 of such hotspots for which speed limits were proposed to be lowered. Following the identification of the hotspots, Romania took actions to implement reduced speed limits. In this regard, the authorities provided additional reports issued by the national road administrator and the Traffic Police confirming the reduction of speed limits in several of the identified hotspots. Furthermore, in accordance with the Safe System approach, as reflected in the EU Road Safety Policy Framework 2021-2030 - Next steps towards "Vision Zero",

better vehicle construction, improved road infrastructure and lower speeds have the capacity to reduce the impact of car crashes preventing deaths and serious injuries. In this regard, Romania approved Law No. 383/2022 setting-up e-SIGUR, a system of national interest for monitoring road traffic, designed and implemented according to similar tools in other EU countries, such as in France, Iceland or Bulgaria, considered as best practices. As stated under paragraph a) of Article 10 (2) of Law No. 383/2022, one of the functions of e-SIGUR is to identify any breaches of the maximum permissible speed limit of vehicles on a specific road sector.

**- [...] introduction of speed management system and mandatory safety features [...];**

Articles 7(3), 9 and 10 of Law 383/2022 provide for e-SIGUR to collect data on vehicles' speed to create alerts on possible traffic offences, including as regards exceeding speed limits for a given category of vehicle or road section. Article 10 (2) sets out the following mandatory safety features based on which e-SIGUR detects deviations from traffic rules affecting traffic safety, namely: (i) the maximum speed limit for the category of vehicle on a certain road sector; (ii) prohibitions or restrictions to drive a vehicle on one of the lanes/direction of the road; (iii) compliance with the red traffic light; (iv) the prohibition to drive a vehicle on public roads which has a suspended registration; (v) rules regarding railway level crossing; and (vi) the prohibition to adopt an aggressive behavior when driving vehicles on public roads. Furthermore, Article 9 of this Law specifies that the system also collects for this purpose data regarding sounds, weight and gauge of the vehicles, information on atmospheric conditions, road traffic signposting and the status of road infrastructure, processed to ensure safety traffic.

Moreover, as presented under the EU Road Safety Policy Framework 2021-2030 - Next steps towards "Vision Zero", GD 682/2022 established a set of eight key performance indicators to measure progress regarding road safety, namely: speed, use of safety belt, protective equipment, alcohol, driver distraction, vehicle and infrastructure safety and post-collision care (page 27). These eight key performance indicators, along with indicators on deaths and serious injuries, represent the basis for monitoring progress towards achieving the objective of moving towards zero fatalities due to road transport by 2050 at EU level.

**- [...] revision of traffic rules including priority for vulnerable users;**

Romania provided a list of amendments (referred to in the evidence mentioned under point viii above – 'List of changes to traffic rules legislations in the period 2020 – 2030, issued by the Ministry of Transport on 25 January 2024') to the traffic rules legislation, including with regard to priority for vulnerable users. These amendments include:

- i. Article I(4) of Government Ordinance No. 3 of 27 January 2022 amended the definition of 'vulnerable road users' in Article 3(o) of Law No. 265/2008 regarding traffic safety management on road infrastructure, and defined them as road users who do not use motorized vehicles, especially cyclists and pedestrians, as well as users of two-wheeled motorized vehicles. This Government Ordinance was published in the Official Journal No. 91 on 28 January 2022 and entered into force on 31 January 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- ii. Article 54(1) and recital (i) of Article 100(3) of Government Ordinance No. 1 of 27 January 2022 amending GEO 195/2002 on traffic on public roads, introduced the interdiction and sanctions for drivers adopting an aggressive behaviour in traffic. Recitals (g) and (h) in Article 102(3) and Article 108(3) introduced sanctions for failure to comply with priority and overtaking rules overtaking or unjustified driving on the emergency lane. This Government Ordinance was published in the Official Journal No. 89 on 28 January 2022 and entered into force on 31 January 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of



legislative technique for the drafting of legislative acts.

- iii. Law No. 302 of 15 November 2022 amending GEO 195/2002 on traffic on public roads amended Article 64(1) of GEO 195/2002 and allowed the traffic police to order the removal of illegally parked vehicles. This Law was published in the Official Journal No. 1107 on 17 November 2022 and entered into force on 20 November 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- iv. Law No. 134 of 13 May 2022 amending GEO 195/2002 on traffic on public roads established traffic rules on expressways and extended categories of vehicles banned from express roads. This Law was published in the Official Journal No. 477 on 13 May 2022 and entered into force on 16 May 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- v. Articles 110(4), 160 and 161 of GD 1075/2021 introduced prohibitions for drivers of electric scooters, similar to those in place for bicycle drivers. Articles 118(2), 120(d) and 135(g) of GD 1075/2021 further introduced priority and safety measures applicable when overtaking a bicycle or an electric scooter, drivers of motor vehicles, other than those moving on two wheels, regulating manoeuvres allowed when overpassing the longitudinal marking separating the traffic directions or separating the lanes on the same direction, including in what regards speed limit allowed. This Government Decision entered into force on 6 October 2021 with its publication in the Official Journal No. 954, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- vi. Government Emergency Ordinance No. 13 of 4 February 2020 amending GEO 195/2002 on traffic on public roads sets the applicable legal regime for the circulation of electric scooters on public roads. Specifically, rules of conduct for electric scooter drivers and correlative sanctions for non-compliance were established to prevent the involvement of electric scooter drivers in traffic accidents. It also specified the new rules when overtaking a bicycle or an electric scooter and the obligations for vulnerable users as provided for in paragraphs 2, 4 and 5 of Article 70, and in Articles 73 and 74(1). This Emergency Ordinance entered into force on 11 February 2020 with its publication in the Official Journal No. 102, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- vii. Article 6 of Law No. 85 of 12 April 2022 amending GEO 195/2002 on traffic on public roads defined distinct bicycle lanes and the national roads for cyclists. This law was published in the Official Journal No. 366 of 13 April 2022 and entered into force on 16 April 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.
- viii. Article I (1) of Law No. 278 of 4 October 2022 introduced a new paragraph 8 under Article 72 (7) of GEO 195/2022 mandating appropriate lightning for unmarked pedestrian crossings by means of intelligent systems differentiating them from the roadway. This law was published in the Official Journal No. 967 on 4 October 2022 and entered into force on 7 October 2022, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

**- phasing out from the national register of old/deficient vehicles,**

Article 2 of Ministerial Order No. 2261 of 23 August 2022 set up a programme aiming to scrap old vehicles of 15 years or more, while Article 21 of the same act requires these vehicles to be removed from the national register. This Ministerial Order entered into force on 24 August 2022 with its

publication in the Official Journal No. 832, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

**-increased safety inspections and checks.**

According to the national legislation, Ministerial Order No. 2133 of 8 December 2005 approved the Regulations regarding the periodic technical inspection of vehicles registered in Romania. Based on Article 1 of its Annex, this vehicles inspection consists of: i) technical inspection regarding road safety; ii) technical inspection on environmental protection, and iii) technical inspection regarding the classification based on the category of its use and destination. Within this framework, the national authorities adopted Ministerial Order No. 1218 of 1 July 2022 amending Ministerial Order No. 2133 of 8 December 2005 and introducing new requirements with regard to vehicles checks. The Ministerial Order introduced a new Article 29<sup>1</sup>, which requires as of 20 May 2023 that public institutions and services for technical inspection are required to collect and report data on CO2 emissions for vehicles, including data regarding the identification number of a newly registered vehicle after 1 January 2021, equipped with devices for on-board monitoring of the consumption of fuel and/or energy. Furthermore, the Ministerial Order modified paragraphs 7.1.3 – 7.1.6 in Annex No. 2 - section A, introducing the requirement to use specialized equipment to carry on certain inspections such as checks regarding safety belts, load allowed and pre-tension system, airbags or additional restraint systems. The Ministerial Order also introduced a new requirement under paragraph 7.13 of the same annex, which introduced further checks on configuration, status and performance for the vehicles' eCall system using specialized equipment. The eCall system allows the automatic notification of the authorities, through a 112 call, in cases a vehicle was involved in a serious accident. Ministerial Order No 1218/2022 was published in the Official Journal No. 711 of 15 July 2022, and entered into force on 4 August 2022, based on the provisions of its Article VIII.

**The overall goal for road safety shall aim for a 50% reduction of fatalities in road accidents by 2030 vs 2019, in line with the EU Road Safety Policy Framework 2021-2030.**

The Council Implementing Decision states that the overall goal for road safety shall aim for a 50% reduction of fatalities in road accidents by 2030 as compared to 2019, in line with the EU Road Safety Policy Framework 2021-2030. The Recovery and Resilience Plan provides that the general objective for road safety is to have a 50% reduction in road fatalities by 2030 compared to 2019, in line with EU commitments (page 34 and 42). In light of the purposive interpretation of this requirement from the Council Implementing Decision, this element is interpreted as setting out a legally binding requirement that the goal for road safety is a 50% reduction of fatalities in road accidents by 2030 compared to 2019, in line with the EU Road Safety Policy Framework 2021-2030. The authorities approved the National Road Safety Strategy by Government Decision No. 682 of 25 May 2022. The strategy sets the objective of reaching a 50% reduction of fatalities and seriously injured persons in road accidents by 2030 compared to 2019, in line with the EU Road Safety Policy Framework 2021-2030 (Next steps towards 'Vision zero'), as mentioned under its section 5 - Objectives (page 18). The annexes to the strategy provide a set of actions to be implemented by 2030 for reaching this objective of road safety. Additionally, the authorities approved Law No. 383/2022 regarding some measures to improve the efficiency of road traffic monitoring, and Article 1(3) of this Law establishes that, by implementing e-SIGUR, the authorities aim to achieve the objective of the National Road Safety Strategy to reduce by 50% the number of fatalities and seriously injured persons in road accidents until 2030 compared to 2019. Furthermore, as further detailed on page 4 of the Statement of reasons of Law No. 383/2022, this objective is set as a first step towards reaching the objective of the EU Road Safety Policy Framework 2021-2030 to reduce the number of deaths in road accidents to almost zero by 2050. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **this reform shall be implemented via**

**secondary legislation and related entry into force of enforcement measures. These measures are complementary to measures for road safety in urban areas included in the “Local Fund” component.**

In accordance with the evidence provided for by the national authorities already presented above, the authorities provided a wide set of primary and secondary legislation demonstrating the entry into force of enforcement measures and sanctions on road safety offences. The measures foreseen under this reform are complementary to road safety measures included in component 10. Local fund, which addressed road safety locally for urban and functional areas, whereas component 4. Sustainable transport envisaged measures targeting road safety overall at national level. Moreover, the policies and measures implemented at local level need to be compliant with the reforms set under the sustainable transport component on road safety. For instance, the monitoring of road offenses by automatic equipment foreseen under this milestone are complementary to the intelligent transport systems and other infrastructure to increase road safety, reduce travel time and traffic congestion locally. In addition, the overall goal of a 50% reduction of fatalities in road accidents by 2030 compared to 2019 is complementary to the target assumed under the Local fund component to reach a 25% reduction in the number of people killed by 2025 or seriously injured as a result of road accidents in urban areas compared to the baseline year 2019.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 115</b>	<b>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</b>		
<b>Name of the target:</b> Decommissioning of lignite-fired power-production capacity			
<b>Quantitative Indicator:</b> Megawatts (MW)	<b>Baseline:</b> 1695	<b>Target:</b> 2355	<b>Time:</b> Q4 2022
<b>Context:</b>			
<p>The objective of reform C6.R1 is to decarbonise the energy sector, with a focus on power generation. The reform covers two sub-elements: the coal phase-out and the increase of renewables electricity generation capacity. Target #115 is part of the first reform element which aims to phase-out coal and lignite-fired power plants by 2032.</p> <p>The first element of reform C6.R1 includes four milestones and targets. Target #115 follows target #113 and milestone #114, and will be followed by target #119, which requires the decommissioning of a cumulative capacity of 3 780MW out of 4 590 MW total coal/lignite fired installed power-production capacity. The reform has a final expected date for implementation on 30 June 2026.</p> <p>Target #115 requires the cumulative shutdown of 2 355 MW of coal and lignite-fired installed electricity production capacity out of which 2 025 MW shall be decommissioned and 330 MW shall be mothballed until the end of 2025. This correspond to the shutdown of 660 MW in addition to the 1 695 MW of coal and lignite-fired installed electricity production capacity that had to be decommissioned under target #115.</p>			
<b>Evidence provided:</b>			
<p>The following evidence was provided by the Romanian authorities:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of target and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;</li> </ol>			

- ii. Decision 1357/25.05.2023 issued by the National Energy Regulator ('ANRE') modifying License no. 1085 for the commercial exploitation of capacities for the production of electricity and heat in cogeneration, issued to the operator CE Oltenia ('CEO'), withdrawing Power Unit No. 3 – 330 MW from the Rovinari Thermal Power Plant from operation and mothballing Power Unit No. 7 – 330 MW from the Turceni Thermal Power Plant;
- iii. Address CEO-SE Rovinari No. 449/SER/12.05.2023 in which CE Oltenia is notifying the Transmission System Operator ('TSO') Transelectrica of the definitive withdrawal of Power Unit No. 3 – 330 MW from the Rovinari Thermal Power Plant from operation and the mothballing of Power Unit No. 7 – 330 MW from the Turceni Thermal Power Plant;
- iv. Certification No. 27295/30.05.2023 from the TSO Transelectrica in which the National Power Transmission Company Transelectrica certifies the withdrawal of Power Unit No. 3 – 330 MW from the Rovinari Thermal Power Plant from operation and the mothballing Power Unit No. 7 – 330 MW from the Turceni Thermal Power Plant;
- v. Ministerial Order no. 326/2024 issued by the Ministry of Energy amending the Annex to Order No. 112/2024 of the Minister for Energy approving the rules on regulating the activation of lignite-fired electricity generation capacity provided for in Article 4 (1) (a) of Government Emergency Order No nr.108/2022 on decarbonising the energy sector;
- vi. Notification No. 1075/DG/12.05/2023 of CE Oltenia informing the Ministry of Energy about the withdrawal of 330 MW of production capacity from operation and the mothballing of 330 MW of production capacity;
- vii. Notification No. 1074/DG/12.05.2023 of CE Oltenia informing ANRE about the withdrawal of 330 MW of production capacity from operation and the mothballing of 330 MW of production capacity;
- viii. Address No. 34444/25.07.2023 containing the attestation by the TSO Transelectrica of physical separation of Power Unit no. 3 of the Rovinari Thermal Power Plant from the national electricity systems;
- ix. Decision of the CE Oltenia Directorate No. 54/29.06.2023 to decommission and capitalise by way of scrapping fixed assets related to Power Unit no. 3 from the Rovinari Thermal Power Plant.

**Analysis:**

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

**A cumulative 2 355 MW of coal and lignite-fired installed electricity production capacity have been shut down, out of which 2 025 MW have been decommissioned and 330 MW have been mothballed.**

With its Decision 1357/25.05.2023 modifying License no. 1085 for the commercial exploitation of capacities for the production of electricity and heat in cogeneration, granted to the operator CE Oltenia, the National Energy Regulator (ANRE) withdrew the licence for Power Unit No. 3 – 330 MW from the Rovinari Thermal Power Plant to operate and amended the licence for Power Unit No. 7 – 330 MW from the Turceni Power Plant, requiring that the latter be kept mothballed until the end of 2025. The withdrawal and mothballing were certified by the Transmission System Operator (TSO) Transelectrica in its Certification No. 27295/30.05.2023. The measures are further demonstrated by the notifications No. 1075/DG/12.05/2023 and No. 1074/DG/12.05/2023 by CE Oltenia respectively notifying the Ministry of Energy and ANRE of the withdrawal of 330 MW of production capacity from operation and the mothballing of 330 MW.

When added to the decommissioning of 1 695 MW of coal and lignite-fired installed electricity production capacity achieved under target #113, positively assessed in the context of Romania's first

payment request, the decommissioning of 330 MW of capacity and the mothballing of 330 MW of capacity amounts to a total shutdown of 2 355 MW of coal and lignite-fired installed electricity production capacity, out of which 2 025 MW have been decommissioned and 330 MW have been mothballed.

Reassurance that the decommissioning of Power Unit no. 3 – 300 MW from the Rovinari Thermal Power Plant is permanent has been provided by way of:

- (i) Address no. 34444/25.07.2023 containing an attestation by the TSO Transelectrica that the power unit is physically separated from the national electricity systems;
- (ii) Decision of the CE Oltenia Directorate no. 54/29.06.2023 to decommission and capitalise by way of scrapping fixed assets related to Power Unit no. 3 from the Rovinari Thermal Power Plant.

**The mothballed capacity is to be decommissioned by the end of 2025 [...]**

Ministerial Order No. 326/2024 issued by the Ministry of Energy on the activation of mothballed energy production capacity specifies that the approved period of the conservation status of Unit No. 7 runs from 1 June 2023 until 31 December 2025 at the latest. Moreover, all relevant decisions and notifications related to the mothballing of 330 MW of electricity generation capacity specify 31 December 2025 as the end date of the approved conservation status. Most importantly, in its Decision 1357/25.05.2023 modifying License no. 1085 for the commercial exploitation of capacities for the production of electricity and heat in cogeneration, granted to the operator CE Oltenia, the National Energy Regulator (ANRE) specifies 1 June 2023 until 31 December 2025 as the period during which Unit No. 7 from the Turceni Thermal Power Plant remains in conservation status.

**[...] and can be activated and called to produce only in the specific circumstances laid down in Article 4 of the Decarbonisation Law and in full compliance with relevant EU law, including State aid rules.**

Ministerial Order No. 326/2024 issued by the Ministry of Energy on the activation of mothballed energy production capacity specifies the rules and procedures for the reactivation of mothballed electricity generation capacity at Unit No. 7 from the Turceni Thermal Power Plant. The rules regulate the conditions for reactivation in line with Article 4 of the Decarbonisation Law, i.e., the plant shall be kept in conservation and be reactivated only if the transmission system operator is likely to exhaust its balancing resources, and in compliance with relevant EU law, including State aid rules. The annex to the Ministerial Order specifies that the identification of electricity shortages that justify the reactivation in line with the specified procedures is based either on a European Resource Adequacy Assessment (ERAA) or a National Resource Adequacy Assessment in line with the ERAA.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number: 148</b>	<b>Related Measure: Transition to EU 2025 connectivity targets and stimulate private investment for the deployment of very high-capacity networks</b>
<b>Name of the Milestone:</b> Recommendations from the EU connectivity toolbox are implemented	
<b>Qualitative Indicator:</b> N/A	<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>Milestone #148 is part of reform C7.R2, which aims to accelerate the national roll-out of 5G networks, in accordance with security regulations, and provide broadband coverage for white areas (small rural municipalities, isolated localities, disadvantaged inhabited areas), tackling the rural – urban digital divide, reducing the administrative burden and streamlining procedures and fees, creating the prerequisites for equal access to digital services and internet access.</p> <p>Milestone #148 requires the implementation of 12 out of 39 recommendations from the EU Connectivity Toolbox.</p> <p>Milestone #148 is the reform’s third milestone, and it follows the completion of milestone #146 for the entry into force of the 5G network security law, positively assessed in the context of Romania’s first payment request, and milestone #147 for the publication of the call for tender for the authorisation of telecommunications operators to grant 5G licenses, positively assessed in the context of Romania’s second payment request. Milestone #149 which is also included under this payment request calls for the assignment of the rights of use of radio spectrum and is the last step in the implementation of this reform.</p>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;</li> <li>ii. Common Union Toolbox for Connectivity (hereinafter, ‘EU Connectivity Toolbox’): <a href="https://digital-strategy.ec.europa.eu/en/policies/connectivity-toolbox">https://digital-strategy.ec.europa.eu/en/policies/connectivity-toolbox</a>;</li> <li>iii. The draft roadmap on the implementation at national level of the Common Toolkit for Connectivity (‘the roadmap’) and the identical roadmap adopted by Government Memorandum on 10 November 2021</li> <li>iv. Government Decision No. 1139/2022 on establishing the amount of the minimum license fee for the granting of rights to use the radio frequencies available in the radio frequency bands 703-733 MHz/758-788 MHz, 738-753 MHz, 1452-1492 MHz, 2550-2570 MHz/2670-2690 MHz and 3400-3800 MHz published in the Official Journal No. 906 on 14 September 2022.</li> <li>v. Draft decision establishing the minimum amount of the license fee for granting rights of use of radio frequencies available in the 700 MHz, 1500 MHz, 2600 MHz and 3400-3800 MHz bands, as well as the conditions for payment of the license fee, submitted for public consultation from 13 to 27 July 2022: <a href="https://www.ancom.ro/uploads/forms_files/Proiect_HG_taxa_de_licenta1657713059.pdf">https://www.ancom.ro/uploads/forms_files/Proiect_HG_taxa_de_licenta1657713059.pdf</a>;</li> <li>vi. Results of the competitive selection procedure for awarding usage rights for the spectrum resources available in the 800 MHz, 2600 MHz and 3400-3600 MHz bands was launched on 11 October 2021: <a href="https://www.ancom.ro/en/licita539ia-din-acest-an-pentru-alocarea-de-spectru-s-a-finalizat_6392">https://www.ancom.ro/en/licita539ia-din-acest-an-pentru-alocarea-de-spectru-s-a-finalizat_6392</a>;</li> </ol>	

- vii. Link to the notice on the organisation of the competitive selection procedure for granting rights of use for radio frequencies in the 700 MHz, 1500 MHz, 2600 MHz and 3400-3800 MHz bands (the "5G" radio frequencies) published on the website of the National Authority for Administration and Regulation in Communications (*hereinafter* 'ANCOM'), on 19 September 2022: [https://www.ancom.ro/anunt-pentru-organizarea-procedurii-de-selectie-competitiva-n-vederea-acordarii-drepturilor-de-utilizare-a-frecventelor-radio-n-benzile-de-800-mhz-1800-mhz-537i-2600-mh\\_6648](https://www.ancom.ro/anunt-pentru-organizarea-procedurii-de-selectie-competitiva-n-vederea-acordarii-drepturilor-de-utilizare-a-frecventelor-radio-n-benzile-de-800-mhz-1800-mhz-537i-2600-mh_6648);
- viii. Link to the results of the spectrum auction for granting rights of use for radio frequencies in the 700 MHz, 1500 MHz, 2600 MHz and 3400-3800 MHz bands (the "5G" radio frequencies) published on the website of ANCOM, on 15 November 2022: [https://www.ancom.ro/licitatie-de-spectru-din-acest-an-s-a-finalizat\\_6706](https://www.ancom.ro/licitatie-de-spectru-din-acest-an-s-a-finalizat_6706);
- ix. Conclusions from ANCOM public consultation to assess interest in the 26 GHz band: [https://www.ancom.ro/uploads/forms\\_files/Chestionar\\_banda\\_26\\_GHz\\_sinteza\\_raspunsuri\\_1664537050.pdf](https://www.ancom.ro/uploads/forms_files/Chestionar_banda_26_GHz_sinteza_raspunsuri_1664537050.pdf);
- x. Decision No. 645 amending Decision No. 551/2012 of the ANCOM president on the setting of the rate for the use of the spectrum published in Official Journal No. 914 on 16 September 2022;
- xi. Explanatory note to ANCOM Decision No. 645/2022: [https://www.ancom.ro/uploads/forms\\_files/Referat\\_de\\_aprobare\\_Decizia\\_ANCOM\\_645\\_20221663661258.pdf](https://www.ancom.ro/uploads/forms_files/Referat_de_aprobare_Decizia_ANCOM_645_20221663661258.pdf);
- xii. Page on 5G technology on ANCOM's website: <https://infocentru.ancom.ro/tehnologia-5g-2/>
- xiii. Elements published on the National Institute of Public Health's website: <https://insp.gov.ro/cnmrmc/expunerea-la-campurile-electromagnetice/>;
- xiv. Links to press releases promoting the website [www.monitor-emf.ro](http://www.monitor-emf.ro): [https://www.ancom.ro/en/aisemnal-monitor-emf-and-netograf-digital-tools-exhibited-by-ancom-at-gotech-world-2022\\_6703](https://www.ancom.ro/en/aisemnal-monitor-emf-and-netograf-digital-tools-exhibited-by-ancom-at-gotech-world-2022_6703) and [https://www.ancom.ro/en/ancoms-spectrum-monitoring-equipment-at-the-bsda-international-exhibition-and-conference\\_6544](https://www.ancom.ro/en/ancoms-spectrum-monitoring-equipment-at-the-bsda-international-exhibition-and-conference_6544);
- xv. Links to ANCOM social media channel promoting the website [www.monitor-emf.ro](http://www.monitor-emf.ro): [https://www.facebook.com/ancom.ro/posts/pfbid02fDwCaKAz7iBFBk48ZWCrDoi1KqzGts2z\\_nDhHPN4RTbq2wJuqXJokYbxfSoqvFG5TI](https://www.facebook.com/ancom.ro/posts/pfbid02fDwCaKAz7iBFBk48ZWCrDoi1KqzGts2z_nDhHPN4RTbq2wJuqXJokYbxfSoqvFG5TI)
- xvi. Joint Order No. 2371 signed by the MDLPA, ANCOM and the MCID for the approval of the technical regulation "channelling telecommunications (CTc). Optical fibre. Design, execution, use, Maintenance and Verification, RTC Indicator 5- 2022" published in Official Journal No. 935 on 23 September 2022;
- xvii. Evidence of a dedicated section on infrastructure law on ANCOM's webpage: [https://www.ancom.ro/legea-infrastructurii\\_4938](https://www.ancom.ro/legea-infrastructurii_4938);
- xviii. Link to a booklet providing information material on the authorisation of the construction of electronic communication networks: [https://www.ancom.ro/uploads/links\\_files/Ghid\\_UAT\\_Autorizare\\_Sanctiuni.pdf](https://www.ancom.ro/uploads/links_files/Ghid_UAT_Autorizare_Sanctiuni.pdf);
- xix. Single Information point on planned civil works: <https://edirect.e-guvernare.ro/>;
- xx. Government Decision No. 376/2020 approving the national table for the allocation of radio spectrum bands published in Official Journal No. 427 on 21 May 2020;
- xxi. [Decision No. 111 of 23 February 2024 issued by ANCOM and published in Official Journal No. 183 on 6 March 2024 approving the National Table for the Assignment of Radio Frequency Bands](#); Memorandum approving the financing contract for a fund for digitalisation, climate action and other areas of interest;
- xxii. Position Paper on awarding rights to use the radio frequencies available in the frequency bands 694-790 MHz, 790-862 MHz, 1427- 1517 MHz, 2500-2690 MHz, 3400-3800 MHz and 24.25-27.5 GHz: [https://www.ancom.ro/uploads/forms\\_files/Pozitie\\_acordare\\_spectru\\_700\\_800\\_1500\\_2600\\_MHz\\_3,4-3,8\\_GHz\\_26\\_GHz\\_31\\_01\\_20191549011953.pdf](https://www.ancom.ro/uploads/forms_files/Pozitie_acordare_spectru_700_800_1500_2600_MHz_3,4-3,8_GHz_26_GHz_31_01_20191549011953.pdf);

- xxiii. Terms of Reference for the organization of the competitive selection procedure for awarding frequency usage rights in the 700 MHz, 800 MHz, 1500 MHz, 2600 MHz and 3400-3800 MHz bands:  
[https://www.ancom.ro/uploads/forms\\_files/CAIET\\_SARCINI\\_LICITATIE\\_20191564493717.pdf](https://www.ancom.ro/uploads/forms_files/CAIET_SARCINI_LICITATIE_20191564493717.pdf);
- xxiv. Email sent by ANCOM to the attention of the administrative territorial units informing them of the publication of the booklet providing information material on the authorisation of the construction of electronic communication networks (document xviii) on 17 October 2022.

#### **Analysis:**

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

**As per the draft roadmap currently under analysis between relevant ministries, Romania shall implement for 12 out of 39 recommendations [from the EU Connectivity Toolbox] (...) All shall be finalised in 2022:**

The draft roadmap sent to Romania by the Commission on 2021 is identical to the roadmap adopted by Government memorandum on 10 November 2021.

#### **i. 24 – Promote adequate reserve prices**

Recommendation 24 of the EU Connectivity Toolbox invites Member States to set spectrum reserve prices (the minimum amount paid for spectrum sold at auctions) by using a methodology, financial valuation models and/or other models.

The roadmap does not define any additional actions for the fulfilment of this recommendation. The roadmap (page 37) specifies that the National Authority for Administration and Regulation in Communications (ANCOM) deemed that the draft Government Decision on setting the amount of the minimum licence fee for granting frequency usage rights, as well as the payment conditions for the licence fees, submitted to public consultation met all the best practice aspects identified in the toolbox.

Government Decision No. 1139/2022 establishing the minimum amount of the license fee for the granting of rights to use the radio frequencies available in the radio frequency bands 703-733 MHz/758-788 MHz, 738-753 MHz, 1452-1492 MHz, 2550-2570 MHz/2670-2690 MHz and 3400-3800 MHz was published in Official Journal No. 906 on 14 September 2022 and entered into force on the same day, in accordance with the provisions in Article 12(3) of Law No. 24/2000 on Legislative technique. This Government Decision therefore sets spectrum reserve prices by setting the minimum amount that must be paid at auctions for spectrum (i.e., radio frequencies).

The draft Government Decision was submitted for public consultation from 13 to 27 July 2022 (document 5). The following changes were made to the decision following the public consultation, none of which change the foreseen spectrum reserve prices:

- Licence duration in 700 MHz, 1500 MHz and 3400 – 3800 MHz bands extended by 5 years, from 20 to 25 years long;
- Introduction of a 6th instalment in 2026, for the licences in 700 MHz and 1500 MHz bands and introduction of a 4th instalment in 2027, for the licences in 3400 – 3500 MHz band; subsequent reduction of the amount for certain instalments;
- Elimination of execution bonds to guarantee future payments.



Given that Government Decision No. 1139/2022 entered into force on 14 September 2022, the requirement in the description of the milestone according to which the recommendation must be finalised in 2022 is fulfilled.

### **25 – Timely availability of 5G harmonised bands**

Recommendation 25 of the EU Connectivity Toolbox calls for Member States to make a substantial part of the 5G harmonised bands (700 MHz 3.6 GHz and 26 GHz) available for wireless broadband networks as soon as possible.

The roadmap (document iii) required ANCOM to ensure that the harmonised frequency bands would be made available in two stages by organising two distinct selection procedures, one to award the available spectrum in bands where frequency resources were not fully used (indicating that the 800 MHz, 2600 MHz and 3400-3600 MHz frequency bands had available spectrum), for a shorter period, and another selection procedure, to award frequency usage rights in the bands newly harmonized for 5G at European level, for longer periods, in accordance with the provisions of the draft law for transposing into national legislation the European Electronic Communications Code.

The first selection procedure to award usage rights for spectrum resources available in the 800 MHz, 2600 MHz and 3400-3600 MHz bands was launched on 11 October 2021 and the results from the auction were communicated on 22 November 2021 (document vi). The results of the selection procedure indicate that two bids were awarded and that usage rights were awarded till 2029 and 2025 respectively.

The notice for the organisation of the second selection procedure to grant rights of use for radio frequencies in the 700 MHz, 1500 MHz, 2600 MHz and 3400-3800 MHz bands (the “5G” radio frequencies) was published on 19 September 2022 on ANCOM’s website (document vii). The results of the auction were published on 15 November 2022 (document viii). According to the auction results, the rights in the 700 MHz and 1500 MHz bands are granted for 25 years from 1 January 2023. The rights in the 3400-3800 MHz band are granted for 22 years from 1 January 2026. The rights in the 2600 MHz band are granted from 1 January 2023 to 5 April 2029. As required by the roadmap, the 5G harmonised bands are therefore awarded for a longer time period.

Romania finalised this recommendation on 22 November 2021, with the publication of the results from the auction, in line with the requirement in the milestone description that all recommendations shall be finalised in 2022 and the text in the milestone description indicating that this recommendation is expected to be finalised by 2022.

### **28 – Individual authorisation regime for the 24,25-27,5GHz frequency band**

Recommendation 28 of the EU Connectivity Toolbox encourages Member States to promote the flexible authorisation of the 26 GHz band, with a focus on local licensing and infrastructure sharing. As indicated in the Toolbox, the 26 GHz band contains a spectrum of 3, 250 MHz ranging from 24.25 to 27.5GHz (see document 2, page 33).

The roadmap (document iii) required ANCOM to organise a public consultation to assess the interest in the 26 GHz band and options for the optimal use of spectrum in this band by end 2021, with a view to assessing whether this band should be included in the selection procedure to be organised in 2022.

From 30 August to 16 September 2022, ANCOM conducted a preliminary public consultation on the appropriateness of granting rights of use for frequencies in the 26 GHz band. In this context, ANCOM circulated a questionnaire to identify the degree of interest in the use of the 26 GHz band for the provision of public networks and broadband electronic communications services. The conclusions indicate that *“it is not appropriate to organise a selection procedure in the 26 GHz band in the short term (2023-2025 period), as evidenced by most of the contributions, and a new consultation on this subject is needed in the coming years”* (document ix).

Given that ANCOM conducted a preliminary public consultation from 30 August to 16 September 2022 on the appropriateness of granting rights of use for frequencies in the 26 GHz band in 2022, the requirement in the milestone description according to which the recommendation must be finalised in 2022 can be deemed fulfilled.

### **31 – Structure of recurrent spectrum fees to incentivise roll-out**

Recommendation 31 of the EU Connectivity Toolbox encourages Member States to assess whether the recurrent spectrum fee structure could penalise the rollout and densification of the 5G networks and if so to adjust the spectrum fee structure.

The roadmap (document iii) required ANCOM to modify its Decision No. 551/2012 setting the fee for spectrum usage in a way that does not affect the elements from the original decision that incentivise increased coverage, namely the fact that the spectrum fees are independent from the number of base stations on the network.

ANCOM Decision No. 645/2022 amending Decision No. 551/2012 was published in Official Journal No. 914 on 16 September 2022 and entered into force on 1 January 2023, in accordance with its Article 2 (document x). Decision No. 645/2022 updates the value of the fees for spectrum usage. The new fees do not penalise roll-out and densification, in line with the connectivity toolbox recommendation, since they are set independently of the number of base stations and decrease progressively in line with increase in use, with an incentive effect on the densification of networks (this is also stated in the explanatory note attached to the Decision, page 2, document xi).

The Council Implementing Decision required that the recommendation shall be finalised in 2022. ANCOM Decision No. 645/2022 entered into force on 1 January 2023. Whilst this constitutes a minimal substantive deviation, the recommendation was finalised at the time of the assessment.

### **38 – Coordinated and targeted communication for informing and educating on 5G implementation**

Recommendation 38 of the EU Connectivity Toolbox invites Member States to use targeted communication including activities using various forms of information sharing ranging from websites and social media to traditional media like TV, radio, leaflets and billboards to provide evidence-based information to specific groups and to educate the wider public about 5G.

The roadmap (document iii) required outreach actions on the benefits of 5G to continue and new elements to be published on the National Institute of Public Health’s website.

A page on 5G technology has been set up on ANCOM’s website, providing information on the functioning of 5G technology (document xii). The website was accessed and checked by Commission services on 24 June 2024. In addition, the National Institute of Public Health’s website published an article about the effects of exposure to electromagnetic fields on its website (document xiii) to educate the wider public about 5G public health implications.

According to the metadata of the page on 5G technology, the website was published in February 2021. According to the copyright tag at the bottom of the National Institute of Public Health's website, the article was published in 2023.

The Council Implementing Decision required this recommendation to be finalised in 2022. Romania finalised elements of this recommendation in 2021 and 2023. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the recommendation was finalised at the time of the assessment at the time of the assessment.

### **39 – Inform the public on the compliance of Radio Base Stations installations with applicable EMF safe limits.**

Recommendation 39 of the EU Connectivity Toolbox encourages Member States to publish the results attained during the measurement of electromagnetic field (EMF) levels.

The roadmap (document iii) required the website [www.monitor-emf.ro](http://www.monitor-emf.ro), containing information on the electromagnetic field levels in Romania and comparing this to reference levels, to be promoted through dedicated press releases and posts on the Authority's social media channels.

The website was promoted through dedicated press releases (document xiv) and a post on facebook (document xv). The dedicated press releases were published on 3 November 2022 and 18 May 2022 and a post on facebook was published on 17 January 2023.

The Council Implementing Decision required this recommendation to be finalised in 2022. Romania finalised elements of this recommendation in 2022 and 2023. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the recommendation was finalised at the time of the assessment.

### **2 – Provide model regulations on electronic communications network deployment**

Recommendation 2 of the EU Connectivity Toolbox calls for the provision of model provisions (regulations, plans, etc.) with regard to permit granting related to electronic communications network deployment addressed to competent authorities.

The roadmap (document iii) required the adoption of technical regulations on the design and implementation of electronic communications networks and physical infrastructures by joint order of the Minister of Research, Innovation and Digitization (MCID), the Minister of Development, Public Works and Administration (MDLPA) and the President of ANCOM. The roadmap indicates that "the text [of the technical regulation] should contain, either directly or by reference to a further document, detailed rules on the design and construction of various categories of infrastructure elements".

On 23 September 2022, Joint Order No. 2371 signed by the MDLPA, ANCOM and the MCID for the approval of the technical regulation "channelling telecommunications (CTc). Optical fibre. Design, execution, use, Maintenance and Verification, RTC Indicator 5- 2022" was published in Official Journal No. 935 and entered into force on 23 October 2022, in accordance with its Article 2 (document xvi). The Order presents the technical requirements necessary for the design, execution, use and maintenance of telecommunications networks.

Given that the Joint Order No. 2371 entered into force on 23 October 2022, the requirement in the milestone description according to which the recommendation must be finalised in 2022 can be deemed fulfilled.

### **3 – Provide informative materials and workshops for municipalities and other competent authorities**

Recommendation 3 of the EU Connectivity Toolbox calls for the provision of a set of informative materials aimed at municipalities and other competent authorities to speed up and ease permit granting procedures for civil works necessary for the rollout of Very High Capacity Networks (VHCN).

The roadmap (document iii) required ANCOM to expand its information activities, including by developing a specialised technical dictionary where necessary.

ANCOM set up on its webpage a dedicated section on infrastructure law (document xvii). It also published on its website a booklet providing information material on the authorisation of the construction of electronic communication networks (document xviii). This booklet summarises the provisions of Law No. 198/2022 published on 6 July 2022 amending and supplementing certain normative acts in the field of electronic communications and establishing measures to facilitate the development of electronic communications networks. The booklet aims to support central and local public authorities by providing information material on the authorisation of the construction of electronic communication networks.

The booklet was published in September 2022. To support this claim, the Romanian authorities provided an email sent by ANCOM to the attention of the administrative territorial units informing them of the publication of the booklet on 17 October 2022. It can therefore be concluded that this recommendation was finalised in 2022, in line with the milestone description.

### **11 – Ensure the availability of information from different sources and enhance transparency of planned civil works**

Recommendation 11 of the EU Connectivity Toolbox calls for all existing physical infrastructure and planned civil works information from different sources (e.g., competent national authorities at any level, public sector bodies and network operators) to be made available via the single information point (SIP – e.g., web based geographic information system).

The roadmap (document iii) required the organisation and operationalisation of the SIP on planned civil works, as provided for in Article 27 of Law No. 159/2016.

Government Emergency Ordinance No. 140/2022 on the single industrial licence was published in the Official Journal on 20 October 2022 and entered into force the same day. This ordinance provides for the establishment of an electronic system, the electronic Single Contact Point for the industrial license (PCUEL), by 31 December 2023 at the latest according to Article 19 (5). Article 2 provides that the purpose of the Ordinance is, inter alia, to give access to data and information, facilitate the exchange of data between IT systems and increase the transparency of the use of data by the public institutions and authorities involved and facilitate the access of applicants and holders of single industrial licenses to public information held by public institutions.

The Council Implementing Decision required that the recommendation must be implemented as per the draft roadmap. Whilst the fact that no action taken to create a SIP constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the adoption of GEO No. 140/2022 ensures the availability of information from different sources and enhances the transparency of planned civil works, thereby fulfilling the objective of the recommendation. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered

that this constitutive element of the milestone is satisfactorily fulfilled.

## **26 – Review National Spectrum Plans on a regular basis**

Recommendation 26 of the EU Connectivity Toolbox encourages Member States to carry out a regular review of national spectrum plans (allocation table and/or award strategy plans) with the objective to take the harmonised bands into use as early as possible.

The roadmap (document iii) required ANCOM to continue to review the National Radio Frequency Allocation Table (TNABF) on a regular basis to ensure that the use of radio spectrum is aligned with technological and legislative developments and market demand, and that spectrum management is predictable.

The Decision No. 111 of 23 February 2024 issued by ANCOM and published in Official Journal No. 183 on 6 March 2024 approves the TNABF (document xxi). According to the provisions in Article 12 (3) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts, this decision entered into force on the date of publication of the decision in the Official Journal. This decision updates the previous TNABF, approved by Government Decision No. 376/2020 and published in Official Journal No. 427 on 21 May 2020 (document xx).

The TNABF is therefore reviewed on a regular basis. The TNABF updated on 6 March 2024 updates the previous TNABF which had been revised on 21 May 2020. This recommendation therefore complies with the requirement that it should be finalised by 2022, given that a revision had already occurred on 21 May 2020.

## **32 – Use financial aid as a complement to incentivise investments**

Recommendation 32 of the EU Connectivity Toolbox encourages Member States to use financial aid from EU-level programmes to complement 5G deployments to incentivise substantial investments in the roll-out of 5G networks.

The roadmap (document iii) required measures to encourage the use of financial support from EU-level programmes to continue, with a view to stimulating substantial investment in the deployment of 5G networks.

A funding agreement for a fund for digitalisation, climate action, and other areas of interest was signed between Romania and the EIB on 29 March 2022, in the context of investment 2.4 “Fund of funds for digitalisation, climate action and other areas of interest” of Component 9 “Business support, research, development and innovation” of the RRP. The document provides on page 8 that the amount allocated to digitalisation-related intervention fields, in line with annex VII of the RRF Regulation, shall be EUR 50 million (document xxii).

Because the funding agreement was signed on 29 March 2022, the requirement in the milestone description that the recommendation should be finalised by 2022 is fulfilled.

## **35 – Make use of harmonised technical conditions developed by the European Conference of Postal and Telecommunications Administrations (CEPT)/Electronic Communications Committee (ECC), if common dedicated frequency ranges are deemed necessary**

Recommendation 35 of the EU Connectivity Toolbox encourages Member States to use harmonised technical conditions developed by CEPT/ECC if a dedicated frequency range is deemed necessary to

ensure usage of such a common dedicated frequency range.

The roadmap (page 32 of document iii) specifies that there is no reason to take further measures as regards this recommendation. Noting that the milestone description requires that recommendations are implemented as per the roadmap, this recommendation is considered fulfilled.

The recommendation is deemed fulfilled according to the roadmap (document iii) because Romania is a member of the European Conference of Postal and Telecommunications Administrations (CEPT). In consideration of the decisions taken at the CEPT/ECC level, ANCOM developed a position paper on awarding rights to use the radio frequencies available in the frequency bands 694-790 MHz, 790-862 MHz, 1427- 1517 MHz, 2500-2690 MHz, 3400-3800 MHz and 24.25-27.5 GHz published on 31 January 2019 (see document xxiii), as well as the Terms of Reference for the organization of the competitive selection procedure for awarding frequency usage rights in the 700 MHz, 800 MHz, 1500 MHz, 2600 MHz and 3400-3800 MHz bands (see document xxiv).

Given that the roadmap specifies that there is no reason to take further measures as regards this recommendation and noting that the milestone description requires that recommendations are implemented as per the roadmap, the requirement in the milestone description according to which the recommendation must be finalised in 2022 is not deemed relevant to this recommendation.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 149	<b>Related Measure: Transition to EU 2025 connectivity targets and stimulate private investment for the deployment of very high capacity networks</b>	
<b>Name of the Milestone:</b> Assignment of the rights of use of radio spectrum		
<b>Qualitative Indicator:</b> Rights of use assigned		<b>Time:</b> Q3 2022
<b>Context:</b>		
<p>Milestone #149 is part of reform C7.R2 that aims to accelerate the national rollout of 5G networks and provide broadband coverage for white areas.</p> <p>Milestone #149 requires the assignment of the rights of use of radio spectrum.</p> <p>This milestone is the third and last step in the implementation of reform C7.R2. It follows milestone #146, positively assessed under the first payment request, on the entry into force of the 5G security law, milestone #147, positively assessed under the second payment request, which requires the publication and organisation of a competitive selection procedure for 5G licenses, and milestone #148, assessed above under this payment request, which requires the implementation of the recommendations from the EU connectivity toolbox.</p>		
<b>Evidence provided:</b>		
<p>The following evidence was provided:</p> <ol style="list-style-type: none"><li>i. Summary document duly justifying how the milestone was satisfactorily fulfilled.</li><li>ii. 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 (<i>hereinafter</i> 'ANCOM'), on 19 September 2022: <a href="https://www.ancom.ro/anunt-pentru-organizarea-procedurii-de-selectie-competitiva-n-vederea-acordarii-drepturilor-de-utilizare-a-frecventelor-radio-n-benzile-de-800-mhz-1800-mhz-537i-2600-mh_6648">https://www.ancom.ro/anunt-pentru-organizarea-procedurii-de-selectie-competitiva-n-vederea-acordarii-drepturilor-de-utilizare-a-frecventelor-radio-n-benzile-de-800-mhz-1800-mhz-537i-2600-mh_6648</a></li></ol>		

- iii. Link to the results of the spectrum auction published on the website of ANCOM, on 15 November 2022: [https://www.ancom.ro/licitatie-de-spectru-din-acest-an-s-a-finalizat\\_6706](https://www.ancom.ro/licitatie-de-spectru-din-acest-an-s-a-finalizat_6706)
- iv. ANCOM Decision No. 644/2022 on the selection procedure for awarding spectrum usage rights in the 700 MHz, 1500 MHz, 2600 MHz and 3400-3800 MHz bands published on 15 September 2022.

**Analysis:**

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

**The “5G” radio frequency licences shall be assigned**

The evidence provided by the Romanian authorities demonstrates that ANCOM assigned the rights of use of spectrum in the 700 MHz, 1500MHz and 3,4 – 3,8GHz bands for the deployment of 5G.

As published on the ANCOM website on 15 November 2022 (document iii), three bidders were awarded “5G” radio frequency licences. Specifically:

- ORANGE ROMANIA S.A. was awarded 2 blocks of 2x5 MHz each in the 700 MHz FDD band, all 8 blocks of 5 MHz available in the 1500 MHz band and 16 blocks of 10 MHz each in the 3400-3800 MHz band, for the amount of 264,607,669 euros representing license fee.
- VODAFONE ROMANIA S.A. was awarded 1 block of 2x5 MHz in the 700 MHz FDD band and 10 blocks of 10 MHz each in the 3400-3800 MHz band, and will pay the amount of 122,503,374 euros as license fee.
- RCS & RDS S.A. has won the 4 blocks of 2x5 MHz available in the 2600 MHz FDD band and 5 blocks of 10 MHz each in the 3400-3800 MHz band, for which it will pay the amount of 45,500,000 euros as license fee.

**based on the results of the competitive selection procedure /auction in milestone 147.**

- Milestone #147 requires the publication and organisation of a competitive selection procedure to grant the “5G licences” in the 700 MHz, 1500 MHz, 2600 MHz and 3400-3800 MHz by ANCOM. This milestone was assessed as satisfactorily fulfilled under the second payment request submitted by Romania under the Romanian recovery and resilience plan; The results of the selection procedure for awards in the 700 MHz, 1500 MHz, 2600 MHz and 3400-3800 MHz conducted under milestone #147 were published on 15 November 2022. As indicated above, these results assign 5G licenses to the three winning bidders, namely ORANGE ROMANIA S.A., VODAFONE ROMANIA S.A. and RCS & RDS S.A.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 151	<b>Related Measure:</b> Ensuring cybersecurity of public and private entities owning critical value infrastructure	
<b>Name of the Milestone:</b> Entry into force of the law on Defence and Cyber Security of Romania		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law on Defence and Cyber and Security of Romania		<b>Time:</b> Q4 2022
<b>Context:</b>		
Milestone #151 is part of reform C7.R3, which aims to continue the process of strengthening the		

resilience of the public and private entities owning critical infrastructure against cyber risks.

Milestone #151 requires the entry into force of the law on Defence and Cyber Security of Romania to establish the legal and institutional framework for organising and conducting activities in the fields of cybersecurity and cyber defence, cooperation mechanisms and responses of institutions in the fields concerned.

Milestone #151 is the second and last step in the implementation of reform C7.R3 and follows milestone #150 on the adoption of the National Cybersecurity Strategy 2021- 2026, assessed as fulfilled in the context of the first payment request. Therefore, reform C7.R3 had the final expected date for implementation in Q4 2022.

**Evidence provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii. Copy of the publication of Law No. 58/2023 on Defence and Cyber Security in Romania in the Official Journal No. 214, issued on 15 March 2023;

**Analysis:**

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

**The Law on Defence and Cyber Security of Romania shall establish the legal and institutional framework for organising and conducting activities in the fields of cybersecurity and cyber defence, cooperation mechanisms and responses of institutions in the fields concerned.**

Law No. 58/2023 on Defence and Cyber Security in Romania (hereinafter referred to as the “Law”) was published in the Official Journal No. 214 of 15 March 2023.<sup>2</sup> According to the provisions in Article 12(1) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts, the Law on Defence and Cyber Security of Romania entered into force three days after its publication in the Official Journal.

The Law lays down the legal framework for organising and conducting activities in the fields of cybersecurity and cyber defence. In particular, its Chapter I – General provisions – lays down the networks and informatic systems covered by the Law (Article 3), objectives (Article 4) and principles to ensure cyber security and defence (Article 5).

Moreover, the Law includes several provisions that establish the institutional framework. For the purpose of organising and carrying out activities specific to cyber security in a uniform manner at national level, Article 6 of the Law establishes the National Cyber Security System (CNSS) as the general framework for cooperation between the authorities referred to in Article 10(1). Furthermore, articles 10 to 19 of the Law describe the competent authorities and their respective responsibilities.

---

<sup>2</sup> the entry into force of this law is without prejudice to Romania’s obligation to carry out the complete and correct NIS2 transposition



In addition, the Law provides details regarding the cooperation mechanisms and responses of institutions. To this extent, Articles 20 to 26 of the Law describe the management of incidents and cyber resilience. Moreover, Chapter V of the Law lays down information regarding the national system of cyber alert, a set of technical and procedural measures aimed at preventing, deterring and combating actions or inactions that may constitute vulnerabilities, risks or threats to Romania's cybersecurity.

Information regarding the procedures for conducting research, development and innovation in cyber security are presented in Articles 32 to 33 of Chapter VII of the Law, while Chapter VIII focuses on the cooperation in the fields of cyber security and cyber defence, thereby establishing the framework for cooperation mechanisms, as required by the description of the milestone in the Annex to the Council Implementing Decision.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 152</b>	<b>Related Measure: Increasing digital competence for public service and digital education throughout life for citizens</b>	
<b>Name of the Milestone:</b> Entry into force of the ministerial order of the Minister of Labour and the National Institute of Statistics President for the definition of new digital occupations in the Classification of Occupations (COR)		
<b>Qualitative Indicator:</b> Provision in the order of the Minister of Labour and National Institute of Statistics President indicating the entry into force of the amendment defining new digital occupations in the COR.		<b>Time:</b> Q3 2022
<b>Context:</b>		
<p>Milestone #152 is part of reform C7.R4, which aims to support the digitalisation of the economy and the transition to industry 4.0 and to align the labour market to the latest developments in this sector.</p> <p>Milestone #152 requires that a ministerial order of the minister of Labour and the National Institute of Statistics President define the new digital occupations present in the Romanian Classification of Occupations (COR) equivalent to those existing in the countries of the European Union, in line with good practices in digitalisation. In addition, it requires that a diagnosis study/analysis shall be carried out to forecast labour needs in the context of the digital transformation of the economy and the transition to industry 4.0 for the next five years.</p> <p>Milestone #152 is the only step in the implementation of reform C7.R4. The implementation of the reform shall be completed by 30 September 2022.</p>		
<b>Evidence provided:</b>		
The following evidence was provided:		
<ul style="list-style-type: none"> <li>i. Cover note duly justifying how the milestone was fulfilled;</li> <li>ii. Copy of the publication in the Official Journal No. 880 of 7 September 2023 of the Ministerial Order of the Minister of Labour and the National Institute of Statistics President No. 1348/784, on defining new digital occupations in the Occupations Classification of Romania (hereinafter referred to as the "Ministerial Order");</li> <li>iii. Annex: Analysis Study conducted to provide a forecasting for the next five years of the labour needs in the context of the digital transformation of the economy and the</li> </ul>		

transition to industry 4.0.

**Analysis:**

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

**The ministerial order of the minister of Labour and the National Institute of Statistics President shall define the new digital occupations at the level of the Romanian Classification of Occupations (COR) equivalent to those existing in the countries of the European Union with good practices in digitalisation.**

Article I of the Ministerial Order amends the Romanian Classification of Occupations (COR), complementing it with new occupations within the national economy. The new occupations included in the ministerial order are:

- blockchain architect
- digital games designer
- developer user interface
- blockchain developer
- digital game developer
- expert on search engine optimisation
- complex data engineer (big data)
- integration engineer
- cloud engineer
- computer vision engineer
- web Content Manager
- smart information systems designer for ICT
- ICT technician

According to the provisions in the Article 12(X) of Law No. 24/2000 on Legislative technique, the Ministerial Order of the Minister of Labour and the National Institute of Statistics President No. 1348/784 entered into force on the date of its publication in the Official Journal.

**A diagnosis study/analysis shall be carried out to provide a forecasting for the next five years of the labour needs in the context of the digital transformation of the economy and the transition to industry 4.0 including recommendations for defining new digital occupations in the official classification of occupations.**

To support the provisions of the Ministerial Order, the Romanian authorities elaborated a diagnosis strategy, based on the most recent market information and on the direct discussions with the relevant stakeholders (industry representatives, academic community members, government representatives etc.). This study was undertaken to provide a forecasting of the labour needs for the following five years (2022-2027), in the context of the digital transformation of the economy and the transition to industry 4.0 (pages 22 – 34), including recommendations to define new digital occupations in the official classification of occupations. The analysis carried out highlighted a number of key needs in the preparation of the Romanian labour market, to embrace the full benefits of the industrial revolution brought about by Industry 4.0 and to enable digital, technological transformation and progress of Romanian society, as a whole (pages 35 – 56).

In light of the particularities of the labour market in Romania and the new information and communication technologies present on the Romanian market, the study recommends thirteen

new occupations equivalent to those existing in EU countries and in line with good practices in digitalisation to be added in the Romanian Classification of Occupations (COR) (pages 58 – 61). These new occupations are the ones enumerated above and included in the Ministerial Order.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 192	<b>Related Measure: Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation</b>		
<b>Name of the Target:</b> Additional legal person taxpayers enrolled in SPV			
<b>Quantitative Indicator:</b> Number	<b>Baseline:</b> 509 679	<b>Target:</b> 1 009 679	<b>Time:</b> Q4 2022
<b>Context:</b>			
<p>Target #192 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, with the objective of increasing the revenue-to-GDP ratio and reducing the VAT gap.</p> <p>Target #192 requires that at least 500 000 legal person taxpayers are additionally enrolled in the Private Virtual Space (SPV) compared to the 509 679 at the beginning of April 2021.</p> <p>Target #192 is the second step in the implementation of this reform, and it is accompanied by milestones #193 and #194 in this payment request, which cover the entry into force of the legal framework defining the risk criteria for the classification of taxpayers and an amended legal framework in the field of activity of tax inspections body. Target #192 will be followed by targets #196 and #197 related to the increase in the share of revenues collected by ANAF 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>			
<b>Evidence Provided:</b>			
<p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Annex 1 to the summary document (part 1 to 9) including the list of additional legal person taxpayers enrolled in the SPV since April 2021 (PDF and Excel format);</li> <li>iii. Copy of the Order of the President of ANAF No. 1721/2021, regarding the organisation of the large taxpayers' administration activity, published in the Official Journal No. 1051 on 3 November 2021 (hereinafter referred to as "the ANAF Order No. 1721/2021");</li> <li>iv. Copy of the Order of the President of ANAF No. 83/2022, for amending and supplementing the ANAF Order No. 1721/2021 (hereinafter referred to as "the ANAF Order No. 83/2022");</li> <li>v. Copy of the Order of the President of ANAF No. 220/2022 approving the RRP at the level of ANAF and its Annex, that entered into force on 15 February 2022;</li> <li>vi. Copy of Government Ordinance No. 11/2021, for amending and supplementing Law No. 207/2015 regarding the Fiscal Procedure Code and regulating certain fiscal measures, published in the Official Journal No. 832 on 30 August 2021 (hereinafter referred to as "Government Ordinance No. 11/2021");</li> <li>vii. Note No. MCB 1165/2024 issued by ANAF and its annex regarding the number of entities</li> </ol>			

- enrolled in the SPV and the total number of active companies on 31 December in the years 2021, 2022, and 2023 (hereinafter referred to as “Note No. MCB 1165/2024”)
- viii. ANAF report on the total number of large entities enrolled in the SPV in 2022,
  - ix. List of large taxpayers that will be managed by the General Directorate for the Administration of Large Taxpayers starting from 1 January 2022, according to the selection criteria provided by ANAF Order No. 1721/2021 (hereinafter referred to as “List of large taxpayers”);
  - x. Copy of the report resulting from the query of databases by the National Centre for Financial Information for the period April 2021 – December 2022;
  - xi. On the basis of a sample selected by the Commission the following documentary evidence was submitted for 60 selected legal person taxpayers enrolled in SPV and 60 large taxpayers enrolled in SPV:
    - a. extract of the last operation performed by the legal entity in the SPV, as extracted from the SPV database.

**Analysis:**

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

**At least 500 000 legal person taxpayers additionally enrolled in SPV compared to the 509 679 at the beginning of April 2021.**

According to Annex 1 of the summary document, which includes a list of additional legal person taxpayers enrolled in the SPV, between 1 April 2021, when 509 679 legal person taxpayers were enrolled in SPV, and 18 December 2022, 585 199 additional legal person taxpayers were enrolled in SPV, exceeding the required 500 000. The SPV represents a free, permanently accessible service that offers a range of benefits to its users, such as: (i) information regarding tax obligations, (ii) the possibility to receive administrative tax documents and other documents, (iii) information regarding social contributions, and (iv) access to other electronic services offered by SPV.

Following the selection of a random sample of 60 legal person taxpayers, Romania submitted an extract from the SPV detailing the most recent operation conducted by each of these taxpayers. The analysis of the extracts shows that these correspond to the sample selected by the Commission. Specifically:

60 records extracted from the SPV database: in addition to the data submitted as evidence for the whole population of 585 199, additional legal person taxpayers enrolled in the SPV (which includes the sequence number, the NUTS3 region, fiscal administration unit, type of entity, and the date of registration to the SPV), the Romanian authorities provided two additional columns of information extracted from the SPV for the selected sample. These additional columns contain: (i) a description of the latest operation conducted in the SPV and (ii) the time of the last operation in the SPV (including date and hour), as extracted from the SPV. The verification of the data on the sequence number, NUTS3 region, fiscal administration unit, type of entity, and the date of registration to SPV, confirmed that the submitted evidence belongs to the taxpayers selected as a sample by the Commission.

The evidence provided for the sample of 60 units confirmed that the additional legal person taxpayers are enrolled in the SPV. On the basis of the evidence provided, a statistical analysis was carried out comparing the reported 585 199 additional legal persons taxpayers enrolled in SPV and the target of 500 000, with the sample of 60 units, out of which all 60 have been considered as connected and functional in SPV. The analysis concluded that the target has been over-achieved.

**With these additional 500 000 taxpayers, the SPV shall cover 90% of the total number of large taxpayers (according to the new definition that shall be available as soon as the modification of the respective legal framework shall be approved), accounting for at least 90% of the large taxpayer tax base.**

ANAF Order No. 1721/2021 as amended and supplemented by the ANAF Order No. 83/2022 contains in Articles 3, 4, 5 and 6 the new definition and selection criteria for large taxpayers. Article 3 states that the selection of major taxpayers is carried out based on the following criteria: specific criteria, basic criterion and continuity criterion. The characteristics of these criteria for the selection of large taxpayers are further specified in Articles 4, 5 and 6 of the same ANAF Order. Specifically, Article 4 defines specific criteria as criteria for the selection of large taxpayers depending on (a) the activity carried out, (b) the investment, and (c) the single tax group criterion. Article 5 defines the basic criterion as the result of aggregating three indicators with respective weights: (a) turnover — 50%; (b) declared tax obligations — 30%; (c) personnel expenditures — 20%. Finally, Article 6 establishes the continuity criterion, requiring that large taxpayers selected under the new legal framework, who fail to meet certain criteria for three consecutive years, will no longer be managed by the General Directorate for Large Taxpayers. The list of large taxpayers submitted by ANAF includes the criteria used to classify each company as a large taxpayer.

According to ANAF's report on the total number of large entities enrolled in the SPV in 2022, 3 280 large companies were enrolled, representing 100% of the taxpayers included in the List of large taxpayers, and thus accounting for at least 90% of the large taxpayer tax base.

Following the selection of a random sample of 60 large taxpayers, Romania submitted an extract from the SPV detailing the most recent operation conducted by each of the selected large taxpayers.

The analysis of the extracts confirmed that these correspond to the sample of the 60 large taxpayers selected by the Commission. Specifically:

60 records extracted from SPV: in addition to the data submitted as evidence for the whole population of 3 280 large taxpayers enrolled in the SPV (which includes information on the NUTS3 region, fiscal administration unit, type of entity, and the date of registration to SPV), the Romanian authorities provided two additional columns for the selected sample. These additional columns contain: (i) a description of the latest operation conducted in SPV and (ii) the time of the operation (including date and hour), as extracted from the SPV. The verification of the data on the sequence number, NUTS3 region, fiscal administration unit, type of entity, and the date of registration to SPV, confirmed that the submitted evidence belongs to the large taxpayers selected as a sample by the Commission.

The evidence provided for the sample of 60 units confirmed the enrolment of large taxpayers in the SPV covers 100% of the total number of large taxpayers, thus accounting for at least 90% of the large taxpayer tax base. On the basis of the evidence provided, a statistical analysis was conducted comparing the reported 3 280 large taxpayers enrolled in the SPV and the target of 90% of the total number of large taxpayers (that is 2 952) and accounting for at least 90% of the large taxpayer tax base, with the sample of 60 units, out of which all 60 have been considered as connected and functional to SPV. The analysis concluded that the target has been over-achieved.

**At this stage out of the approximately 1 500 000 legal entities approximately 400 000 are either in insolvency proceedings or inactive. The target of the measure is thus almost all registered legal entities to use the SPV.**

Article 1(10) of Government Ordinance No. 11/2021 establishes the compulsory enrolment of legal

entities into the electronic system (SPV) developed by the Ministry of Finance and ANAF as of 1 March 2022.

The Annex of the Note No. MCB 1165/2024 underlines that the enrolment rate in the SPV was 85.1% on 31 December 2022 (1 100 041 legal persons taxpayers enrolled in SPV compared to 1 293 296 active legal entities), and the enrolment rate increased to 99.1% on 31 December 2023 (1 307 689 legal persons taxpayers enrolled in SPV compared to 1 319 245 active entities). Therefore, almost all registered legal entities use the SPV.

**The monitoring of the number of new taxpayers enrolled in the SPV shall be done through specific reports resulting from the query of databases by National Centre for Financial Information.**

The Annex 1 to ANAF Order No. 220/2022 provides that ANAF monitors the degree of utilizations of the SPV and specifies the responsible department. As evidenced by the reports resulting from the query of databases by the National Centre for Financial Information for April 2021 – December 2022, ANAF monitors the number of new taxpayers enrolled in the SPV through specific reports, which use data provided by the National Centre for Financial Information. These monthly reports contain information about taxpayers (both legal entities and individual persons) enrolled in the SPV, which is monitored by the ANAF, proving the satisfactorily fulfilment of the CID requirement.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 193</b>	<b>Related Measure: Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation</b>	
<b>Name of the Milestone:</b> Entry into force of the applicable legal framework defining the risk criteria for the classification of taxpayers. The legal framework shall be approved through an Order of the ANAF President.		
<b>Qualitative Indicator:</b> Entry into force of the Order of the ANAF president defining risk criteria		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #193 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 and reducing the VAT gap.</p> <p>Milestone #193 requires the entry into force of the legal framework defining the risk criteria for the classification of the taxpayers. The legal framework shall be approved through an Order of the ANAF President.</p> <p>Milestone #193 is the second step of the implementation of the reform, and it is accompanied by target #192 and milestone #194 in this payment request, which cover the additional legal persons taxpayers enrolled in the Virtual Private Space (SPV) and the entry into force of an amended legal framework in the field of activity of tax inspection bodies respectively. Milestone #193 will be followed by targets #196 and #197, related to 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:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii. Annex to the summary document including a table showing how the international standards were taken into account in the definition of risk criteria, as required by the Council Implementing Decision and its Annex (hereinafter referred to as “annex to the summary document”);
- iii. Copy of the Order of the President of the National Agency for Fiscal Administration No. 2017/2022 approving the risk sub-criteria developed in the general criteria laid down in Article 7(7) of Law No. 207/2015 on the Code of Fiscal Procedure, published in the Official Journal No. 1112 on 17 November 2022 ;
- iv. Copy of Law No. 207/2015 on the Fiscal Procedure Code, as last amended by Law 296/2023 published in the Official Journal No. 977 on 27 October 2023.

**Analysis:**

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

**Entry into force of the applicable legal framework defining the risk criteria for the classification of taxpayers. The legal framework shall be approved through an Order of the ANAF President.**

The Order of the President of the National Agency for Fiscal Administration No. 2017/2022 approving the risk sub-criteria developed on the basis of the general criteria laid down in Article 7(7) of Law No. 207/2015 on the Code of Fiscal Procedure (hereinafter referred to as “the Order of the President of ANAF”) was published in the Official Journal No. 1112 on 17 November 2022. As established by Article 12(3) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts, the Order of the President of ANAF entered into force on the date of publication in the Official Journal.

Article 2(1) of the Order of the President of ANAF establishes that risk sub-criteria are developed to assess taxpayers’ compliance with the obligations laid down in the tax legislation associated with the four general criteria. Article 2(3), (4), (5) and (6) of the Order of the President of ANAF defines the four general risk criteria. The Annex to the Order of the President of ANAF introduces sub-criteria for each risk criterion.

**The definition of risk criteria shall be done according to the main categories of risks of tax non-compliance: risks related to tax registration; submission of declarations; level of declaration; payment.**

Article 2(2) of the Order of the President of ANAF states that risks of non-compliance cover risks relating to tax registration, submission of tax returns, level of declaration and fulfilment of payment obligations to the general budget and to other creditors. These risks correspond to the four general criteria established in Article 7(7) of Law No. 207/2015 on the Code of Fiscal Procedure. These risks are then defined in Article 2(3), (4), (5) and (6) of the Order of the President of ANAF.

**These definitions shall be used in the system of tax-risk administration based on tax risk classes, in**

**which tax administration measures and controls shall be adapted to the tax risk of each class of taxpayers.**

The Order of the President of ANAF provides definitions of the general criteria established in Article 7(7) of the Code of Fiscal Procedure and, as established by Article 7(8) of Law No. 207/2015 on the Code of Fiscal Procedure, establishes risk sub-criteria developed on the basis of the risk criteria established in Article 7(7) of the Code of Fiscal Procedure. The Order therefore introduces definitions of risk criteria and a list of risk sub-criteria for each risk criteria, which are subsequently employed in the system of tax risk administration based on tax risk classes. Accordingly, in this system, tax administration measures and controls are tailored to the tax risk of each class of taxpayers, as outlined in the risk classes (low, medium and high) defined by Article 7(6) of the same law. Furthermore, the administration procedures for tax receivables under the jurisdiction of the central tax body (defined in Article 1(31) of Law No. 207/2015 as including the Ministry of Finance and ANAF, through the specialised structures with responsibilities of tax receivables administration, including subordinated units of the Ministry of Public Finance or ANAF) are carried out based on the tax risk class/sub-class in which taxpayers have been classified following the risk analysis conducted by the tax authority. Therefore, the Order of the President of ANAF establishes the definitions of risk criteria and introduces risk sub-criteria which are used in a system of tax-risk administration based on tax risk classes, where tax administration measures and controls are adapted to the tax risk of each class of taxpayers.

**The risk criteria shall take into account the following international standards:**

- **OECD ISO 31000:2018**
- **COM - Compliance Risk Management guide for Tax administrations 2010**
- **FTA Guidance Note for Evaluating the effectiveness of the compliance risk treatment strategies.**

The risk criteria, as defined in the Order of the President of ANAF, take into account the international standards. Specifically:

- As the Order of the President of ANAF defines criteria to be used to evaluate tax risk and support decision making, these are in line with the general guidelines outlined in Chapter 6.3.4 of the ISO 31000:2018 international standards, which recommend organisations to define criteria to evaluate the significance of risk and support decision-making processes, and that such criteria should be aligned with the risk management framework and customised to the specific purpose and scope of the activity under consideration;
- The risk criteria of tax registration, as defined in Article 2(3) of the Order of the President of ANAF, are in line with the definition of “register risk” as defined in Chapter 2.5.1 of the Compliance Risk Management Guide for Tax administrations 2010 and the “registration in the tax system” defined as a domain of taxpayer obligation in Chapter I, paragraph 2, of the FTA Guidance Note for evaluating the effectiveness of compliance risk treatment strategies;
- The risk criteria of submission of tax returns as defined in Article 2(4) of the Order of the President of ANAF, are in line with the definition of “filing risk” as defined in Chapter 2.5.1 of the Compliance Risk Management Guide for Tax administrations and the “timely filing of tax returns” defined as a domain of taxpayer obligation in Chapter I, paragraph 2, of the FTA Guidance Note for evaluating the effectiveness of compliance risk treatment strategies;
- The risk criteria of level of declaration as defined in Article 2(5) of the Order of the President of ANAF, are in line with the definition of “declaration risk” as defined in Chapter 2.5.1 of the Compliance Risk Management Guide for Tax administrations and the “reporting of complete and accurate information in tax returns” defined as a domain of taxpayer obligation in Chapter I, paragraph 2, of the FTA Guidance Note for evaluating the effectiveness of compliance risk treatment strategies;
- The risk criteria of fulfilment of payment obligations to the general budget and other



creditors, as defined in Article 2(6) of the Order of the President of ANAF, are in line with the definition of “payment risk” as defined in Chapter 2.5.1 of the Compliance Risk Management Guide for Tax administrations and the “payment of tax obligation on time” defined as a domain of taxpayer obligation in Chapter I, paragraph 2, of the FTA Guidance Note for evaluating the effectiveness of compliance risk treatment strategies.

The annex to the summary document also contains a table showing how the risk criteria, as defined in the Order of the President of ANAF, correspond to these international standards.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 194</b>	<b>Related Measure: Reform of the National Agency for Fiscal Administration (ANAF) through digitalisation</b>	
<b>Name of the Milestone:</b> Entry into force of the amended legal framework in the field of activity of tax inspection bodies		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legal framework affecting the scope of activity of the tax inspection bodies		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #194 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 and reducing the VAT gap.</p> <p>Milestone #194 requires the entry into force of the amended legal framework regulating the activity of tax inspection bodies.</p> <p>Milestone #194 is the second step of the implementation of the reform, and it is accompanied by target #192 and milestone #193, related to the additional legal persons taxpayers enrolled in the Virtual Private Space (SPV) and the entry into force of the legal framework defining the risk criteria for the classification of the taxpayers respectively. Milestone #194 will be followed by targets #196 and #197, related to 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><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Copy of Government Emergency Ordinance No. 188/2022, amending Law No. 207/2015 on the Code of Fiscal Procedure and amending Government Emergency Order No. 74/2013 on certain measures to improve and reorganise the work of the National Agency for Fiscal Administration and amending certain legislative acts, published in the Official Journal No. 1272 of 29 December 2022;</li> <li>iii. Copy of the report “Analysis of the legal, methodological, and procedural framework and resources in the field of fiscal controls: Current status in Romania. Comparative analysis of best European practices. Assessment of differences”, representing Deliverable 2 of the</li> </ol>		

project REFORM/SC2022/039 “Increasing the efficiency of the fiscal control activity in Romania”

- iv. Copy of the report “Recommendations and proposals for the revision and modification of the legislative, methodological and procedural framework of the control activity in Romania”, representing Deliverable 3 of the project REFORM/SC2022/039 “Increasing the efficiency of the fiscal control activity in Romania”;
- v. Annex to the summary document including a table, showing how recommendations from Deliverable 3 of the Technical Support Instrument (TSI) were translated into the updated legal framework for its finalisation.

#### **Analysis:**

##### **Entry into force of the amended legal framework in the field of activity of tax inspection bodies**

Government Emergency Ordinance No. 188/2022, amending Law No. 207/2015 on the Code of Fiscal Procedure and amending Government Emergency Order No. 74/2013 on certain measures to improve and reorganise the work of the National Agency for Fiscal Administration and amending certain legislative acts (hereinafter referred to as “the Government Emergency Ordinance”) was published in the Official Journal No. 1272 of 29 December 2022. The relevant provisions *regulating the powers of the tax authorities tax inspection bodies, anti-fraud control bodies, and bodies responsible for verifying the personal tax situation* for the satisfactory fulfilment of this milestone, as outlined in the analysis, entered into force on the same day, as stated in Article III of the Government Emergency Ordinance.

##### **The new law shall establish/revise the powers of the tax authorities tax inspection bodies, anti-fraud control bodies, and bodies responsible for verifying the personal tax situation), (...)**

The Government Emergency Ordinance includes provisions revising the powers of tax authorities. Article I(2) introduces the obligation of the tax authority, at the written request of the taxpayer subject to a tax inspection, to make available the administrative file of the tax inspection. Article I(5) establishes the power for tax authorities to carry out unannounced checks or anti-fraud checks.

The Government Emergency Ordinance revises the powers of the tax authorities tax inspection bodies by introducing, among others, the following provisions:

- Article I(18) introduces the mandatory notification of compliance issued by the central tax authority in the case of tax inspection;
- Article I(19) introduces the possibility of submitting or correcting the tax return related to the tax periods and receivables that will be subject to the tax inspection, until the date of the start of the tax inspection;
- Article I(16) establishes that in the case of tax receivables administered by the local tax authority, the selection of taxpayers to be subject to tax inspection is carried out by the competent tax inspection body, depending on the level of risk determined on the basis of the risk analysis. In the case of tax receivables administered by the central tax body, the selection of taxpayers is carried out at the level of the central apparatus of ANAF.

The Government Emergency Ordinance revises the powers of the anti-fraud control bodies by introducing, among others, the following provisions:

- Article I(28) establishes the competencies, objectives and rules for carrying out anti-fraud activities. It establishes that anti-fraud controls are carried out by the civil servants of the General Directorate for Tax Anti-Fraud based on a risk analysis. It introduces that the anti-fraud control bodies are to carry out operative control activities without informing the taxpayer in advance about the control, and that the tax anti-fraud control bodies may carry

out the anti-fraud control without the existence of a risk analysis in specific circumstances.

- Article I(29) introduces, among others, the rights of taxpayers that have to be respected during anti-fraud controls.
- Article I(36) establishes that the tax anti-fraud control bodies are competent to carry out documentary verification throughout the country.
- Article II, and specifically Article II(2), revises the rights of the personnel of the General Directorate for Tax Fraud in the performance of their duties. Among other provisions, Article II(2) introduces the rights of the personnel of the General Directorate for Tax Fraud to order measures for the prevention and correction of deviations from the provisions of the financial-fiscal and accounting legislation, under the conditions of the law;

The Government Emergency Ordinance revises the powers of the bodies responsible for verifying the personal tax situation by introducing, among others, the following provisions:

- Article I(31) establishes that the selection of individuals to be subject to the verification of the personal tax situation is carried out at the level of the central apparatus of ANAF depending on the level of risk established, and that the level of risk shall be determined on the basis of the risk analysis.
- In addition, Article I(33) establishes that a notification of compliance must be issued by the tax authority in case of verification of personal tax situation.

**(...) with the aim to strengthen the institutional capacity of tax control structures, to prevent national and cross-border tax fraud and tax evasion by early and targeted identification of major tax risks.**

The Government Emergency Ordinance introduces provisions to strengthen the institutional capacity of tax control structures. Article I(7) establishes that tax authorities have to make written requests for information, specifying the nature of the information and the documents required, and Article I(8) states that such documents may be made available at the office of the tax authority by post or by electronic means. Article I(9) requires that the central tax authority has to provide local authorities with information on the sources of income of natural persons, and that local tax bodies and the central tax authority have to conclude a protocol on the use of PatrimVen, an online ANAF platform allowing access to available data on citizens' heritage and income. By clarifying the institutional set-up, allowing for the electronic transmission of documents and establishing protocols for cooperation between the central administration and local tax bodies, the Government Emergency Ordinance strengthens the institutional capacity of tax control structures.

The Government Emergency Ordinance also introduces provisions to address national and cross-border tax fraud and tax evasion by early and targeted identification of major tax risks. Specifically, Article I(5) establishes the possibility for authorities to undertake unannounced checks or anti-fraud checks. Article I(28) establishes that fiscal anti-fraud control bodies may carry out an anti-fraud check without a risk analysis where, in the performance of their duties, they find infringements of tax legislation which require immediate action; and exceptionally, with a view to carrying out specific control actions to prevent and combat tax fraud and/or evasion. By introducing unannounced and anti-fraud checks carried out on the basis of risk analysis as well as without risk analysis, the Government Emergency Ordinance helps prevent national and cross-border tax fraud and evasion, by allowing for the early and targeted identification of major tax risks.

**ANAF shall review the institutional and legal framework of the activities carried out by the control structures.**

As outlined in the summary document, ANAF is beneficiary of the project REFORM/SC2022/039 on increasing the efficiency of fiscal control activity in Romania, financed under the TSI 2021/240. As

part of this project, the reports “Analysis of the legal, methodological, and procedural framework and resources in the field of fiscal controls: Current status in Romania. Comparative analysis of best European practices. Assessment of differences” (hereinafter referred to as “the analysis report”) and “Recommendations and proposals for the revision and modification of the legislative, methodological and procedural framework of the control activity in Romania” (hereinafter referred to as “the recommendations report”) were produced with support from the contracted consultancy firm.

In Section II of the analysis report, a review of tax control activity in Romania is given. Different chapters describe in detail the specific areas. Chapter II.1 on page 11 of the report reviews the organisation of ANAF and its structure, Chapter II.5.4 on page 47 of the report presents the activities related to the antifraud control, and Chapter II.6.4 reviews the preliminary activities linked to the verification of the personal tax situation, presenting the institutional framework of the control activities.

Therefore, the analysis report constitutes a review of the institutional and legal framework of the activities carried out by the control structures.

**Taking into account the conclusions and the results of the analysis, the revision of the legal framework of the tax inspection bodies shall be finalised**

The recommendations report includes recommendations and proposals for the revision and amendment of the legislative, methodological and procedural framework related to the fiscal control activity, taking into account the conclusions of the analysis report as well as feedback from ANAF, as stated on page 6 of the recommendations report.

Pages 12-90 of the recommendations report include a table outlining current legislation, proposed changes, motivation and comments. Comparing the proposed changes as laid out in the recommendations report with the enacted legislative changes shows that most recommendations were taken into account in the revision of the legal framework of the tax inspection bodies. For example, implemented recommendations include:

- The introduction of clear definitions of the administrative file of the tax inspection and of tax files (reflected in Article 1 of Law 207/2015 on the Code of Fiscal Procedure).
- The establishment of the right of the taxpayer to have access to the administrative file of the tax inspection (reflected in Article 7(4<sup>1</sup>) of Law 207/2015 on the Code of Fiscal Procedure).
- The extension of the possibility of electronic communication of documents (reflected in, for example, Article 64(2) and Article 79 of Law 207/2015 on the Code of Fiscal Procedure).
- The introduction of regulations to increase the efficiency of tax inspections, including the notification of compliance before selecting the taxpayer for tax inspection (reflected in Article 121<sup>1</sup> of Law 207/2015 on the Code of Fiscal Procedure).

With the conclusions and results of the analysis taken into account, the revision of the legal framework of the tax inspection bodies is considered finalised. The annex to the summary document also contains a table showing how recommendations were translated into the legal framework.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number:** 199

**Related Measure:** Improving the budgetary programming mechanism

**Name of the Milestone:** 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

**Qualitative Indicator:** Provision in the law indicating the entry into force of the amendments to ensure multi-annual budgetary planning for the significant public investment projects

**Time:** Q4 2022

**Context:**

Milestone #199 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.

Milestone #199 requires the entry into force of an amended regulatory framework, which establishes multi-annual budgetary planning for significant public investment projects and the ex-post evaluation of expenditure reviews conducted by the Fiscal Council.

Milestone #199 is the second step of the implementation of the reform. It will be followed by milestones #201, #202, #203 and #204, related to: 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; 2024 draft budgetary law includes the recommendations of spending reviews (health and education); 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.

The reform has a final expected date for implementation on 30 June 2024.

**Evidence provided:**

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 Emergency Ordinance No. 187/2022 on measures to fulfil milestones of the National Recovery and Resilience Plan in the area of public investment and spending reviews, published in the Official Journal No. 1271 on 29 December 2022;
- iii. Copy of Decision No. 1574/2022 amending Government Decision No. 225/2014 approving the methodological rules on the prioritisation of public investment projects, published in the Official Journal No. 1277 on 30 December 2022.

**Analysis:**

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

**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**

Government Emergency Ordinance No. 187/2022 on measures to fulfil milestones of the National Recovery and Resilience Plan in the area of public investment and spending reviews (hereinafter referred to as "Government Emergency Ordinance No. 187/2022") was published in the Official Journal No. 1271 on 29 December 2022, and entered into force on the date of its publication in the Official Journal, that is on 29 December 2022, as established by Article 12(2) of Law No. 24/2000 on

the rules of legislative technique for the drafting of legislative acts.

Government Emergency Ordinance No. 187/2022 amends the existing regulatory framework in the area of public investment to ensure multi-annual budgetary planning for the significant public investment projects and to have an ex-post evaluation of expenditure reviews made by the Fiscal Council.

Specifically, Article II(3) of Government Emergency Ordinance No. 187/2022 establishes that public investment programmes must be presented in the draft budget as an annex to the budget of each lead authorising officer. These investment programmes must include significant investment objectives/projects which are to be presented with commitments and budgetary appropriations until their completion. Article II(5) of Government Emergency Ordinance No. 187/2022 further establishes that the lead authorising officers must annually present the public investment programmes annexed to their budget. By requiring the annual presentation of public investment programmes, including commitments and budgetary appropriations until the completion of projects, Government Emergency Ordinance 187/2022 ensures multi-annual budgetary planning for the significant public investment projects.

Article III(1) of Government Emergency Ordinance No. 187/2022 tasks the Fiscal Council with carrying out an ex-post evaluation of the analysis of expenditure incurred by the Ministry of Finance and the Chief Authorising Officers (i.e. an expenditure review) in accordance with the multiannual strategy, starting with the 2024 budget.

**The new regulatory framework shall amend:**

**- Law No nr.500/2002 on public finances, as amended, to lay down criteria and conditions for the budgetary construction of multiannual significant public investment projects, in particular expenditure on significant investment projects, so as to secure financing until their completion**

Article II of Government Emergency Ordinance No. 187/2022 amends Law No. 500/2002 on public finance as follows:

Article I(8) of Government Emergency Ordinance No. 187/2022 defines significant public investments. Article I(12) of Government Emergency Ordinance No. 187/2022 states that the principles and criteria for assessing and prioritising significant public investment projects are set out in its annex, which forms an integral part of the Government Emergency Ordinance. The Annex to Government Emergency Ordinance No. 187/2022 includes a list of criteria for assessing and prioritising new projects and for evaluating and prioritising projects further. Criteria include, among others, the advancement of the project in terms of implementation and the estimated period for completion. These provisions constitute the criteria for the budgetary construction of significant public investment projects which are multi-annual, in particular expenditure on significant investment projects, so as to secure financing until their completion.

Article II(3) of Government Emergency Ordinance No. 187/2022 states how significant investment projects shall be presented, with commitment and budgetary appropriations until their completion, therefore being multi-annual and securing financing until their completion. In Article II(10) the Government Emergency Ordinance No. 187/2022 establishes that a budgetary proposal for significant public investments prepared by the Chief Authorising Officer has to determine the commitment and budgetary appropriations for the year for which the budget is drawn and the following two years. Article II(11) provides for quarterly progress reports, whereas Article II(6) and (7) define the methodological role and powers of the Ministry of Finance concerning the budget

preparation process and the approval of public investment documentation. These provisions constitute the conditions for the budgetary construction of multiannual significant public investment projects, in particular expenditure on significant investment projects, so as to secure financing until their completion.

**- Government Emergency Ordinance No nr.88/2013 on the adoption of certain fiscal and budgetary measures to meet commitments agreed with international bodies, and amending and supplementing certain legislative acts, as amended, (...)**

Article I of Government Emergency Ordinance No. 187/2022 amends Government Emergency Ordinance No. 88/2013 on the adoption of certain fiscal and budgetary measures to meet commitments agreed with international bodies, and amending and supplementing certain legislative acts.

**(...) which shall update the principles underlying the prioritisation of significant, new and on-going public investment projects in terms of financial affordability and sustainability, as well as economic and social justification; (...)**

Article I(12) and (19) of Government Emergency Ordinance No. 187/2022 establish that the criteria and principles for assessing and prioritising significant public investments, whether new or ongoing, are included in the Annex to the Government Emergency Ordinance, and that this Annex replaces the Annex of Government Emergency Ordinance No. 88/2013. The principles listed in the Annex to Government Emergency Ordinance No. 187/2022, on page 6 of the Official Journal No. 1271 of 29 December 2022, include “Affordability and financial sustainability” and “Economic and social justification”, among others. The existing principles have been updated by changing the point system assigned to each principle. In the case of “Affordability and financial sustainability”, this principle is now assigned a higher score (40 points, compared to 20 points in the Annex to Government Emergency Ordinance No. 88/2013). In addition, within this principle, criteria have been further specified, for instance by adding criteria related to whether an operation and maintenance strategy has been developed. In the case of “Economic and social justification”, the maximum score for this principle has been harmonised between new and ongoing projects (35 points, compared to 40 points for new projects and 30 points for ongoing ones in the Annex to Government Emergency Ordinance No. 88/2013). In addition, within this principle, criteria linked to the project’s social justification have been given a higher score (15 points, compared to 10 points in the Annex to Government Emergency Ordinance No. 88/2013).

**(...) the timing of the process of prioritisation of significant public investment shall be updated in order to be linked to the timing of the annual and multi-annual budget preparation of the budget;**

Article I(16) of Government Emergency Ordinance No. 187/2022 requires the Ministry of Finance to submit the results of the prioritisation of significant public investments to the Government by 31 July each year. The Chief Authorising Officers shall send to the Ministry of Finance the list of priority significant public investment projects by 15 June of each year at the latest. Therefore, the process of prioritisation of significant public investment is aligned with the timing of the annual and multi-annual budget preparation.

**(...) conditions/sanctions shall be put in place for lead authorising officers who do not respect the timing and rules of the prioritisation of significant investments;**

Article I(16) of Government Emergency Ordinance No. 187/2022 also establishes sanctions for Chief Authorising Officers (alternatively referred to as “lead authorising officers”). Failure to comply with the provisions of paragraphs (2) and (4), which require the Chief Authorising Officers to send the Ministry of Finance the prioritisation results by 15 June of each year at the latest and to respect the results of prioritization, as approved by the Government, in the process of preparing the draft budget for the following year, results in an administrative offence and a fine between RON 10 000

and RON 20 000.

**- Government Decision No nr.225/2014 approving methodological rules on the prioritisation of public investment projects, as amended, (...)**

Government Decision No. 1574/2022 approving the methodological rules on the prioritisation of public investment projects (hereinafter referred to as “Decision No. 1574/2022”) was published in the Official Journal No. 1277 on 30 December 2022, and entered into force on the date of its publication in the Official Journal, that is on 30 December 2022, as established by Article 12(3) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts.

The sole Article of Government Decision No. 1574/2022 amends Government Decision No. 225/2014, approving the methodological rules on the prioritisation of public investment projects.

**(...) which shall amend the prioritisation criteria applicable to significant new and on-going public investment projects and thereafter, so that the budgeting is oriented towards the completion, as a matter of priority, of major investment projects in advanced phases of implementation.**

The sole Article of Government Decision No. 1574/2022 states that the implementing rules on the assessment and prioritisation of significant public investment projects are set out in its annex, which is an integral part of this Government Decision. The sole Article of Government Decision No. 1574/2022 states that a significant new public investment project shall be deemed to be prepared if it cumulatively meets the condition of obtaining a minimum total score of 61 points, with minimum point requirements for each criteria. The Sole Article of Government Decision No. 1574/2022 states that the application by the Chief Authorising Officer of the principles and criteria for assessing and prioritising applies to all significant new and ongoing public investment projects.

The Annex to Government Decision No. 1574/2022 includes a table with the principles and, for each principle, criteria for assessing and prioritising new projects and ongoing projects, providing two additional columns on justification of scores and technical specifications for each principle. Justification of scores provide guidance for assigning a score within each criteria, while the technical specifications provide guidance on the evidence to be considered for assigning a score. The table includes the principle “Remaining period until the completion of the significant public investment project”, which grants up to 15 additional points based on the criteria of stage of implementation and estimated period for completion. For this principle, the column on justification of score requires that a higher score should be attributed to projects at more advanced stages of implementation and closer to completion. For instance, 1 additional point is attributed if the physical stage of implementation is lower than 10%, while 10 points are attributed if the stage of implementation is higher than 75%. Significant projects at advanced phases of implementation therefore receive a higher score, which results in their prioritisation compared to projects which are at early stages of implementation. These specifications orient budgeting towards completion of significant investment projects in advanced phases of implementation.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 205	<b>Related Measure:</b> Review of the tax framework	
<b>Name of the Milestone:</b> Analysis of Romania’s tax system with the objective to produce recommendations to ensure that the tax system contributes to promote and preserve sustainable economic growth		
<b>Qualitative Indicator:</b> Completed analysis, publication of the report with the analysis and the recommendations, endorsed by/ co-authored with the		<b>Time:</b> Q4 2022



independent institutions providing technical assistance

**Context:**

Milestone #205 is part of reform C8.R4, which has the objective to review the tax framework to allow Romania to improve competitiveness, while supporting fiscal sustainability and environmental goals. Through this reform the tax system should become fairer, more efficient, simpler and more transparent thereby capable of better supporting the economy and facilitating taxpayers' compliance.

Milestone #205 requires a comprehensive analysis of Romania's tax system and recommendation to ensure that the tax system contributes to promote and preserves sustainable economic growth. The review has to identify distortions and adjustment needs, in particular for corporate income tax, income tax and social security contributions as well as property taxation. The analysis should inform decisions for a gradual withdrawal of excessive tax incentives, but also aim at expanding green taxation.

Milestone #205 is the first step of the implementation of the reform, and it is accompanied by milestone #206 in this payment request, which covers the entry into force of amendments to the Fiscal Code gradually reducing the scope of the special tax regime for micro-enterprises. Milestone #205 will be followed by milestone #207, related to the entry into force of i) amendments to the Fiscal Code (Law No. 227/2015), to reduce and/or eliminate other tax incentives with the objective to simplify the tax system, make it more effective, transparent and fair by 2024; and ii) legislation to expand the green taxation. Milestone #205 will also be followed by milestone #208, which is related to the entry into force of amendments to the Fiscal Code (Law No. 227/2015) gradually reducing tax incentives for personnel employed in the construction sector.

The reform has a final expected date for implementation on 31 March 2025.

**Evidence provided:**

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 report prepared by the World Bank titled "Report on the tax system in Romania, including benchmarking and recommendations to inform Client's reform of the tax framework", deliverable 1 of the Reimbursable Advisory Services Agreement between Romania and the World Bank titled "Improving the Tax Framework in Romania in the context of the National Recovery and Resilience Plan (P178899)" (hereinafter referred to as "the World Bank report");
- iii. Link to the publication of the World Bank report on the website of the Ministry of Finance: [https://mfinante.gov.ro/documents/35673/8180698/ReformingthetaxsysteminRomania\\_BM.pdf](https://mfinante.gov.ro/documents/35673/8180698/ReformingthetaxsysteminRomania_BM.pdf)

**Analysis:**

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

**The Ministry of Finance shall, with support of technical assistance, advisory and consultancy services, carry out the analysis on how to improve the structure of the Romanian tax system/tax legislation to ensure that the tax system contributes to promoting and preserving sustainable economic growth.**

On 30 June 2022, the Ministry of Finance of Romania signed with the World Bank Group the Reimbursable Advisory Services (RAS) Agreement P178899 on “Improving the Tax Framework in Romania, in the context of the National Recovery and Resilience Plan” (hereinafter referred to as the “RAS agreement between the Ministry of Finance and the World Bank”). The RAS agreement between the Ministry of Finance and the World Bank was signed for the purpose of providing technical assistance to the Ministry of Finance for the review of the tax framework. Additionally, Component 1 of the RAS agreement between the Ministry of Finance and the World Bank is titled “Review of the current tax system and provision of recommendations to promote and preserve sustainable economic growth”, setting out obligations for the World Bank to conducting a comprehensive review of the current tax system in Romania, including benchmarking against the tax systems adopted in other relevant and comparable European countries and assessing the Romanian tax system in relation to standard principles of good tax policy, and developing reform recommendations. The provision of analysis and recommendations by the World Bank therefore constitutes advisory and consultancy services.

Furthermore, the World Bank report “Report on the tax system in Romania, including benchmarking and recommendations to inform Client’s reform of the tax framework” was delivered to the Minister of Finance of Romania in March 2023, constituting Deliverable 1 of the RAS Agreement between the Ministry of Finance and the World Bank. As outlined in the table of contents, the report provides an assessment of Romania’s tax system, including its current structure and legislation on labour, capital income, immovable property, corporate income, small businesses, energy and value-added taxation, providing an analysis and reform options on how to improve it. As stated on page 8 of the World Bank report, the proposed reforms aim to ensure that Romania’s tax system contributes to promote and preserve sustainable economic growth.

**The focus shall be:**

**- on the gradual phase out of the tax incentives and loopholes in income tax, corporate tax (including special schemes which may benefit from the exceptions)**

Sections 3.1, 3.4 and 3.5 of the World Bank report present analyses on the taxation of labour income, corporate income and small business taxation respectively. Section 4 provides detailed policy recommendations, which include the simplification and reassessment of tax incentives and the removal of income tax exemptions for workers in agriculture, construction and IT sectors, as well as the special regime for microenterprises. Section 4 also presents a proposed timeline for the implementation of reforms, which would take place gradually until 2028.

**- on social contributions and property tax (i.e. local taxes)**

Sections 3.1 and 3.3 of the World Bank report present analyses on social security contributions (page 20), health contributions (pages 30-31) and property taxes, which are local taxes, (chapter 3.3.1). Section 4 provides detailed policy recommendations, which include health contributions (page 76) and property tax (pages 78-79).

**- on shifting taxation towards green taxes, taking into account distributional impacts.**

Section 3.6 of the World Bank report presents an analysis on energy taxation. Section 4 provides detailed policy recommendations, which include energy taxation and cover recommendations on shifting taxation towards green taxes (e.g., by more effectively pricing emissions and providing greater neutrality across fuel types) (pages 80-82). Appendix 4 of the World Bank report presents a methodology for the distributional analysis of climate mitigation policies in carbon pricing.

**The analysis and recommendations shall be published by the Ministry of Finance**

The report containing the analysis and recommendations is publicly available on the website of the Ministry of Finance. The website where the report was published was accessed and checked by

Commission services on 18 June 2024.

**Furthermore, in line with the description of the measure, the comprehensive review of the tax system in the plan shall identify distortions and areas where relevant tax legislation should be adjusted (...)**

*Section 3.5.2 of the World Bank report identifies distortions to business form in the Romanian tax system. Section 4 (pages 79-80) provides recommendations, including tax legislation changes, to address these distortions.*

**In line with the description of the measure, the review of the tax framework shall also aim at expanding green taxation, including as flanking measure for the sustainable transport and energy components.** *In that respect, Sections 3.6 and 4 of the World Bank report present an analysis and recommendations on expanding green taxation, including an increase in carbon pricing via increasing excise tax rates on fossil fuels, as well as gradual elimination fossil fuel subsidies, and the use of revenues generated from the fossil fuel subsidy reform and additional carbon pricing to compensate vulnerable groups. These are flanking measures for the sustainable transport (Component 4) and energy (Component 6) components of the Council Implementing Decision.*

**Finally, in line with the description of the measure, in carrying out this reform, Romanian tax legislation shall be subject to a thorough analysis (...)**

*Section 3 of the World Bank report presents analyses of the Romanian tax legislation. Specifically, section 3.1 presents the current tax rules on labour income; section 3.2.1 presents the current tax rules on capital income; section 3.3.1 presents the current tax rules on immovable property; section 3.5.1 presents the microenterprise tax regime; section 3.6.2 presents an overview of the energy tax regime in Romania, while sections 3.6.3 and 3.6.4 present a comparative analysis of fossil fuel taxation and subsidies, as well as options for reform in Romania; and section 3.7.2 presents the current VAT regime. Section 4 then outlines option for tax reform that could support the RRP implementation.*

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 215</b>	<b>Related Measure: Reform of the public pension system</b>	
<b>Name of the Milestone:</b> Entry into force of the legislative framework for reducing expenditure on special pensions		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislative framework for reducing the expenditure on special pensions		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this measure is to reform the public pension system. The main goal of the reform is to make the pension system more equitable and more fiscally sustainable.</p> <p>Milestone #215 requires the entry into force of the legislative framework for reducing expenditure on special pensions.</p> <p>Milestone #215 is the fourth milestone or target of the reform, and it follows the completion of milestone #211, related to the contracting of technical assistance to prepare analysis and proposals for a reform of the pensions system, milestone #212, related to setting up a monitoring committee, and milestone #213, related to the entry into force of amendments to the regulatory framework to ensure the sustainability of Pillar 2 pensions. It will be followed by milestone #214 covering the reform of the general pension system.</p> <p>The reform had a final expected date for implementation on 30 March 2023.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Copy of Law No. 282/2023 on the amendment and addition of legislative acts in the field of service pensions and Law No. 227/2015 on the Fiscal Code, published in the Official Journal No. 950 published on 20 October 2023, and entering into force on 1 January 2024.</li> <li>iii. Copy of the World Bank report on “Analysis, impact assessment and recommendations for reform of special pensions” (hereinafter referred to as “World Bank report”) and a link to the report: <a href="#">BM Raport analiza impact reforma pensiilor speciale 2023.pdf (mmuncii.ro)</a></li> <li>iv. Copy of Constitutional Court Decision No 467 of 2 August 2023 on the objection of unconstitutionality of Articles I to IV, XIII (5) and (6) and XV of the Law amending certain legislative acts in the field of service pensions and Law No 227/2015 on the Fiscal Code, published in the Official Journal No. 191 published on 7 August 2023.</li> </ol>		
<p><b>Analysis:</b></p> <p>The justifications and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone. Specifically:</p> <p><b>Entry into force of the legislative framework for reducing expenditure on special pensions.</b></p> <p>The Law No. 282/2023 on the amendment and addition of legislative acts in the field of service pensions and Law No. 227/2015 on the Fiscal Code (hereinafter referred to as “Law No. 282/2023”) was published in the Official Journal No. 950 on 20 October 2023. According to its article XIX, Law</p>		

No. 282/2023 entered into force on 1 January 2024.

**The new legislative framework shall review special pensions and bring them in line with the contributory principle.**

The new legislative framework reviews special pensions and establishes through several articles, as outlined below, that special pensions are calculated based on the contributory principle, seniority in the profession and readjustment of the percentage related to the obtained income. The contributory principle requires that pension benefits will depend on the sum of contributions paid during working life. Key parameters like the standard retirement age, the length of the working life, the minimum contribution period, the benefit ratio and the base to which it applies are important to assess whether a pension system is based on the contributory principle. Law No. 282/2023 introduces changes bringing the calculation of special pensions more closely linked to the contributions paid during the working life, and therefore in line with the contributory principle.

**- No new categories of special pensions shall be created and current categories shall be streamlined.**

Law No. 282/2023 does not create any new special pension category.

Moreover, as outlined below, the Law includes several articles introducing changes that bring the calculation of special pensions more closely linked to the contributions paid during the working life, and therefore in line with the contributory principle. All articles of the Law ensure that features of the different special pension regimes will over time converge towards those prevailing in the general system, leading to a gradual streamlining of special pension regimes. In particular, the reform tightens eligibility conditions for retirement and foresees a gradual increase in the standard or statutory retirement age for all special pensioners, to ultimately align it with that in the general pension system (Articles I, Article VI, Article VIII, Article IX, Article XI, Articles XII and XIII, Article XIV).

For most special pension categories, the target benefit ratio (or replacement ratio, defined as the ratio of pension benefits to salaries earned during a specific period of an individual's working life) will be reduced from 80% currently to 65% after the reform. For several special pensions categories, the reform foresees a gradual increase in the number of months which form the basis for the calculation of the benefit ratio, reducing the gap between pensioners in the general regime and those benefitting from special regimes. These changes are supported by the same articles mentioned in the previous paragraph.

These changes, and those listed below, imply that over time the special pension regimes will converge towards the general system, leading to a gradual streamlining of special pension regimes. The World Bank Report (see charts in pages 23 and 39 of the report, and tables in the Annex) provide quantified evidence of this convergence.

**- Current special pensions shall be calculated based on the contributory principle, seniority in the profession, and the readjustment of the percentage related to the obtained income.**

The new legislative framework reviews special pensions and establishes through several articles, as outlined below, that special pensions are calculated based on the contributory principle, seniority in the profession and readjustment of the percentage related to the obtained income. The contributory principle requires that pension benefits will depend on the sum of contributions paid during working life. Key parameters like the standard retirement age, the length of the working life, the minimum contribution period, the benefit ratio and the base to which it applies are important to

assess whether a pension system is based on the contributory principle. Law No. 282/2023 introduces changes bringing the calculation of special pensions more closely linked to the contributions paid during the working life, and therefore in line with the contributory principle.

Firstly, the reform tightens eligibility conditions for retirement and foresees a gradual increase in the standard or statutory retirement age for all special pensioners, to ultimately align it with that in the general pension system (“seniority in the profession”). The only exception to this rule is special pensioners working in the civil aeronautics sector, who will be able to retire at 52, compared 50 before the reform. Whilst this constitutes a minimal deviation from the requirement of the Council Implementing Decision, this only applies to a very limited number of retirees and seems justified for safety reasons. This minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform objective. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Specifically,

- For judges and prosecutors, see Article I of Law No. 282/2023, setting out a calendar for a gradual increase in the standard statutory retirement age and tightening eligibility conditions to the special pension regime.
- For specialised auxiliary staff of the courts and the prosecutor’s offices attached to them and staff working within the National Institute of Forensic Expertise, see Article VI of Law No. 282/2023, setting out a calendar for a gradual increase in the standard statutory retirement age and tightening eligibility conditions to the special pension regime.
- For Court of Auditors staff, see Article VIII of Law No. 282/2023, setting out a calendar for a gradual increase in the standard statutory retirement age and tightening eligibility conditions to the special pension regime.
- For staff of the Diplomatic and Consular Corps, see Article IX of Law No. 282/2023, setting out a calendar for a gradual increase in the standard statutory retirement age and tightening eligibility conditions to the special pension regime.
- For civil aviation personnel, see Article XI of Law No. 282/2023, setting out a calendar for a gradual increase in the standard statutory retirement age and tightening eligibility conditions to the special pension regime.
- For parliamentary civil servants, see Articles XII and XIII of Law No. 282/2023, setting out a calendar for a gradual increase in the standard statutory retirement age and tightening eligibility conditions to the special pension regime.
- For military pensions, see Article XIV of Law No. 282/2023, setting out a calendar for a gradual increase in the standard statutory retirement age and tightening eligibility conditions to the special pension regime.

Secondly, for all special pension categories, the Law specifies that the target benefit ratio (or replacement ratio, defined as the ratio of pension benefits to salaries earned during a specific period of an individual’s working life) will be brought in line with the contributory principle and reduced from 80% currently to 65% after the reform. The only exception to this rule is magistrates (reflecting Constitutional Court Decision No. 467/2023), who retain a target benefit ratio of 80%, but applying to the average of gross monthly salary allowances and bonuses during the last 48 months of service prior to the date of retirement (vs. last month of service before the reform). Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it does not materially affect the progress towards the achievement of the reform. It is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Specifically:

- For judges and prosecutors, see Article I.1 of Law No. 282/2023.
- For specialised auxiliary staff of the courts and the prosecutor's offices attached to them and staff working within the National Institute of Forensic Expertise, see Article VI.1 of Law No. 282/2023.
- For Court of Auditors staff, see Article VIII of Law No. 282/2023.
- For staff of the Diplomatic and Consular Corps, see Article IX.1 of Law No. 282/2023.
- For parliamentary civil servants, see Article XII.3 of Law No. 282/2023.
- For military and police staff, the target benefit ratio was already at 65% before the reform and was not amended.

Thirdly, for several special pensions categories, the Law foresees a gradual increase in the number of months which form the basis for the calculation of the benefit ratio. This will mathematically, over time, reduce the gap between pensioners in the general regime and those benefitting from special regimes. With this readjustment of the percentage related to the obtained income the target benefit ratio will apply to a lower base, mathematically leading to lower special pensions:

- For judges and prosecutors, see Article I of Law No. 282/2023.
- For specialised auxiliary staff of the courts and the prosecutor's offices attached to them and staff working within the National Institute of Forensic Expertise, see Article VI of Law No. 282/2023.
- For staff of the Diplomatic and Consular Corps, see Article IX of Law No. 282/2023,.
- For parliamentary civil servants, see Articles XII and XIII of Law No. 282/2023.

Fourthly, the Law foresees that special pensions are to be updated every year based on the inflation rate, with a lag of two years. As demonstrated in the World Bank report (pages 40, 41 and 42), this means that over time the average benefit ratio of special pensions will converge towards that in the general system, which has more favourable indexation rules. For several special pension categories, pensions were already indexed on inflation before the reform. Going forward, this will be the case for all special pensions categories:

- For judges and prosecutors, see Article I.6 of Law No. 282/2023.
- For military pensions, see Article XIV of Law No. 282/2023.

Fifthly, the reform introduces higher taxation for special pensions above a certain threshold. As these pensions almost always include a non-contributory part that is funded by the State budget, the introduction of additional taxation increases the contributory nature of special pension regimes. Pensions in Romania are taxed at a 10% tax rate. This rate applies to the full pension, minus a fixed non-taxable income RON 2.000. Article XVIII of Law No. 282/2023 introduces a 15% tax rate for special pensions (only the non-contributory part) higher than the average net wage used at the time of the preparation of the previous year's social security state budget, and of a 20% tax rate of personal income tax for pensions (non-contributory part) higher than the average gross wage used at the time of the preparation of the previous year's social security state budget.

Finally, the reform removes the ability to collect more than one special pension. Beneficiaries eligible for more than one service pension must choose one. This is specified in Article XVII of Law No. 282/2023.

**The minimum contribution period shall be similar to that applied in the public pension fund.**

The general pension system includes a minimum contribution period of 15 years to be eligible to pensions. Law No. 282/2023 establishes that the minimum contribution period for all special

pensions categories is similar or, in most cases, higher than for the general system. Specifically:

- For judges and prosecutors, provisions of Law No. 282/2023, Article I.1 establishes that the minimum contribution period is between 20 and 25 years.
- For specialised auxiliary staff of the courts and the prosecutor's offices attached to them and staff working within the National Institute of Forensic Expertise, Article VI.1 of Law No. 282/2023 establishes that the minimum contribution period is 25 years.
- For Court of Auditors staff, Article VIII of Law No. 282/2023 establishes that the minimum contribution period is 25 years.
- For staff of the Diplomatic and Consular Corps, Article IX.1 of Law No. 282/2023 establishes that the minimum contribution period is 25 years.
- For parliamentary civil servants, Article XII.3 of Law No. 282/2023 establishes that the minimum contribution period is 25 years.
- For military and police staff, Article XIV and Annex 3 of Law No. 282/2023 establish that the minimum contribution period is 25 years.

**The protection of the decisions of the Constitutional Court shall refer only to the pensions of magistrates and not for other categories and shall refer only to the limits explicit in the arguments of the Court.**

Romania's Constitutional Court issued Decision No. 467/2023 introducing limitations to the reform for magistrates. This decision only concerned magistrates. No other category was covered by the decision, implying that the protection of the decisions of the Constitutional Court refers only to the pensions of magistrates. The reform of the pension regime for magistrates was similar in nature to that for other special pension regimes (tighter eligibility conditions, higher retirement age, indexation of pensions on inflation, etc), and exceptions were limited to those explicitly required by the Constitutional Court decision.

Specifically, the Court's decision establishes that magistrates are the only category keeping a target replacement rate of 80%, and the increase in the statutory retirement age are to be more gradual than for other special pension categories. See provisions (point #110) of the Constitutional Court Decision No. 467/2023 and Article I of Law No. 282/2023.

**No special pension shall exceed the income obtained during the contribution period.**

Article I and Article VI of Law No. 282/2023 establish that net pensions cannot exceed the net income obtained during the contribution period. This provision applies to judges and prosecutors and specialised auxiliary staff of the courts and prosecutors' offices, who are the only categories concerned by this issue (special pensions being in some cases higher than the income received during the contribution period).

As such, the reform overall supports the objective of streamlining and reducing expenditure on special pensions, while ensuring they are in line with the contributory principle. That is the main goal of this reform. It is therefore considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled



<b>Number: 221</b>	<b>Related Measure: Improving tax and tax administration processes, including through the implementation of integrated risk management</b>		
<b>Name of the Target:</b> Number of cash registers connected to the National Agency for Fiscal Administration IT system			
<b>Quantitative Indicator:</b> Number	<b>Baseline:</b> 150 000	<b>Target:</b> 600 000	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Target #221 is part of investment C8.I2, which aims at improving tax and tax administration processes, including through the implementation of integrated risk management. The investment is expected to have an impact on the level of tax compliance and achievement of budget revenue, ensuring a competitive market environment and increasing the efficiency of tax collection. The investment underpins C8.R1 on the reform of the National Agency for Fiscal Administration (ANAF) through digitalisation.</p> <p>Target #221 requires that at least 600 000 cash registers are connected to the National Agency for Fiscal Administration’s electronic system. Through this connection in particular fraud in the area of trade should be addressed, while also contributing to reduce the VAT gap.</p> <p>Target #221 is the second step in the implementation of the related investment, and it is accompanied by target #222 in this payment request, related to the share of the number of desk audits reported on the total audits carried out by the tax administration – 30%. Target #221 will be followed by targets #219, #223 and #224 as well as milestones #225, #226 and #226a, related to: staff training on the risk management system; share of the number of desk audits reported on the total audits carried out by the tax administration — 60 %; increase the number of audits by 10%; fully operational electronic risk register; Big Data/Analytics platform set-up and operational; and operationalisation of tax administration systems.</p> <p>The investment has a final expected date for implementation on 31 December 2025.</p>			
<p><b>Evidence Provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. An annex to the summary document, including: <ul style="list-style-type: none"> <li>o An Excel file with a list of unique identifiers for each cash registry, in accordance with the national legislation, demonstrating that the cash register is connected to the National Agency for Fiscal Administration’s electronic system (hereinafter referred to as “List of Cash Registers”).</li> </ul> </li> <li>iii. On the basis of a sample selected by the Commission the following documentary evidence was submitted for 60 selected cash registers: <ul style="list-style-type: none"> <li>o “Z-type reports” of cash registers (that is, report generated from the ANAF electronic system), showing that the cash register is connected to National Agency for Fiscal Administration’s electronic system and functioning (hereinafter referred to as “Z Reports”).</li> </ul> </li> </ol>			
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all</p>			

constitutive elements of the target. Specifically:

**At least 600 000 cash registers shall be connected to National Agency for Fiscal Administration's electronic system.**

Based on the information analysed, the number of cash registers connected to the National Agency for Fiscal Administration's electronic system on 20 December 2022 was 632 538, as certified by the list of cash registers submitted by Romania.

Following the selection of a random sample of 60 cash registers, Romania submitted Z reports for each selected cash register. Z reports for 38 cash registers were submitted in both XML and Excel formats and 22 only in Excel. The Romanian authorities define a Z report as the daily closing fiscal report of cash registers. It represents the document issued with the fiscal electronic cash register that contains synthesis data of a fiscal nature. The difference in format of files submitted is due to the fact that the latest Z report of each cash register are kept in XML format for 10 days, after which they are only stored in an Excel database.

The analysis of the Z reports shows that these reports correspond to the sample of cash registers selected by the Commission. Specifically:

- 38 Z reports in XML: each such Z report includes an "idM" number (unique message identifier). This idM number is obtained by the electronic system putting in sequence (i) the identification number of the cash register that produces the Z report; (ii) the date and time of the Z report; and (iii) the number of the Z report. The verification of the idM number by the Commission confirmed that the submitted Z reports correspond to the cash registers selected by the Commission.
- 22 Z reports submitted only in Excel: the verification of each such Z report submitted confirms that the submitted Z reports correspond to the cash registers which were selected by the Commission.

The evidence provided for the sample of 60 units confirmed that the cash registers are connected to the National Agency for Fiscal Administration's electronic system and are functioning. On the basis of the evidence provided, a statistical analysis has been carried out comparing the reported 632 538 cash registers and the target of 600 000 cash registers, with the sample of 60 units, out of which all 60 have been considered as connected and functional. This analysis concluded that the target has been over-achieved.

**The full connection of cash registers shall address, in particular, fraud in the area of trade. This investment shall contribute to reduce the VAT gap.**

In consideration of the foregoing, the analysis certifies that the cash registers are connected to the National Agency for Fiscal Administration's electronic system and are functioning. The full connection of cash registers will ensure that transactions performed by cash registers are tracked and stored electronically by the National Agency for Fiscal Administration. This will help address, in particular, fraud in the area of trade, by allowing the National Agency for Fiscal Administration to monitor the activity of cash registers in Romania and reducing informal transactions. The higher number of transactions recorded due to the full connection of cash registers in turn improves VAT collection and therefore contribute to reducing the VAT gap in Romania.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number: 222</b>	<b>Related Measure: Improving tax and tax administration processes, including through the implementation of integrated risk management</b>		
<b>Name of the Target:</b> Share of the number of desk audits reported on the total audits carried out by the tax administration - 30%			
<b>Quantitative Indicator:</b> percentage (%)	<b>Baseline:</b> 0	<b>Target:</b> 30	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Target #222 is part of investment C8.I2, which seeks to enhance tax compliance, foster a competitive market environment by reducing tax avoidance and evasion, and contribute to meeting the planned budget revenue through improved efficiency in tax collection.</p> <p>Target #222 requires that 30% of the total audits carried out by the National Agency for Fiscal Administration (ANAF) are documentary audits (desk audits).</p> <p>Target #222 is the second step of the implementation of investment C8.I2, and it follows the completion of target #220, which requires at least 150 000 cash registers connected to ANAF's servers. It is accompanied by target #221 in this payment request, which requires that at least 600 000 cash registers are connected to ANAF's servers. Target #222 will be followed by targets #219, #223, #224, #225, #226 and #226a, related to: staff training on the risk management system; a 60% share of the number of desk audits reported on the total audits carried out by ANAF; increase the number of audits by 10%; fully operational electronic risk register; Big Data/Analytics platform set-up and operational; and operationalisation of tax administration systems.</p> <p>The investment has a final expected date for implementation on 31 December 2025.</p>			
<p><b>Evidence Provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Copy of the Order of the President of ANAF No. 3632/2020 regarding the establishment of certain documentary verification competencies, published in the Official Journal No. 921 of 9 October 2020;</li> <li>iii. Copy of the Order of the President of ANAF No. 3666/2020 and its annexes regarding the approval of the model and content of the forms and documents used in the documentary verification activity, published in the Official Journal No. 938 of 13 October 2020;</li> <li>iv. Report No. A.DCA289/ 9 March 2023 by the internal audit services within ANAF (hereinafter referred to as "the ANAF internal audit report");</li> <li>v. Copy of Law No. 207/2015 on the Fiscal Procedural Code.</li> </ol>			
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the target. Specifically:</p> <p><b>The share of the documentary audits in total audits carried out shall increase to 30% by Q4 2022 (from today's zero). This target is part of the reform to shift inspection actions from physical to digital control structures.</b></p> <p>On page 19 the ANAF internal audit report states that a total of 46 898 audits were conducted in 2022, out of which 19 061 were documentary audits, constituting 40.64% of all audits. The audit</p>			

report presents statistical data, disaggregated by month, types of control actions, and the General Directorate responsible for control within ANAF. Based on this data collected from the control structures within ANAF, the audit mission established a sample of 4.0 - 4.5% of the total audit population, concluding a high level of compliance with the CID requirement of 30% documentary audits.

Article 148(1) and Article 79 of Law No. 207/2015 stipulate that, during documentary verifications, communication between the control body and the taxpayer are carried out electronically, through the electronic system developed by the Ministry of Finance and ANAF. If legal entities fail to communicate electronically as required and submit documents in a physical format to the tax authority, such submissions will be disregarded. The tax authority will notify taxpayers of the obligation to use electronic means for communication. Thus, since documentary audits are conducted digitally, as stated also on pages 5 and 7 of the ANAF internal audit report, the target is contributing to shifting inspection actions from physical to digital control structures.

**The following measures shall be implemented:**

**- establishing the powers of the tax authorities to carry out documentary checks by tax inspection bodies, antifraud control bodies and bodies responsible for verifying personal tax situations (...)**

The Order of the President of ANAF No. 3632/2020 establishes that tax authorities can carry out documentary audits. Articles 1 to 3 of the Order further define which categories of public servants are competent tax authorities for conducting documentary audits: (i) public servants with tax inspection responsibilities within the territorial structures, as well as within the General Directorate for the Administration of Large Taxpayers, (ii) public servants within the General Directorate for Tax Anti-Fraud, and (iii) public servants with responsibilities for checking the personal tax situations of individuals within the regional general directorates, as well as within the General Directorate for the Control of Income of Individuals.

**(...) - the model and content of the forms and documents used in the desk-audit activity have been approved.**

The model and content of the forms used in the desk-audit activity (that is the documentary audits) have been approved through ANAF Order No. 3666/2020 and published in the Official Journal No. 938 of 13 October 2020. Annexes 1 to 4 of that order, which entered into force along with it, encompass the model and content of the forms and documents employed in desk-audit activity.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number: 230</b>	<b>Related Measure: Implementation of electronic customs</b>		
<b>Name of the Target:</b> Upgraded hardware and software infrastructure			
<b>Quantitative Indicator:</b> percentage (%)	<b>Baseline:</b> 0	<b>Target:</b> 100	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Target #230 is part of investment C8.I4, aiming to modernise the customs system and implement electronic customs.</p> <p>Target #230 requires an upgrade of hardware and software infrastructure used by the Custom Administration.</p> <p>Target #230 is the first step in the implementation of the investment and it will be followed by milestone #231 (award of contract for new IT systems for customs), target #232 (operationalization of IT system for customs), and target #233 (electronic implementation of the following activities: custom clearance activity, exchange information between economic operators and customs authorities, exchange information between customs authorities in the Member States).</p> <p>The investment has a final expected date for implementation of 31 December 2025.</p>			
<p><b>Evidence Provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Table listing the upgraded hardware and software solutions or equipment and locations where they were installed or distributed;</li> <li>iii. Qualitative acceptance report No. 403957/06 June 2022;</li> <li>iv. Qualitative acceptance report No. 403941/17 June 2021;</li> <li>v. Qualitative acceptance report No. 409219/14 December 2022;</li> <li>vi. Qualitative acceptance reports No. 404030/08 June 2022;</li> <li>vii. Quantitative acceptance report No. 409220/14 December 2022;</li> <li>viii. Quantitative acceptance report No. 401625/24 February 2023;</li> <li>ix. Qualitative acceptance report No. 402010/13 March 2023.</li> <li>x. Quantitative acceptance report No. 402038/23 March 2022;</li> <li>xi. Quantitative acceptance report No. 403476/02 June 2021;</li> <li>xii. Quantitative acceptance report No. 403183/19 May 2021;</li> <li>xiii. Quantitative acceptance reports No. 401566/03 March 2022;</li> <li>xiv. Quantitative and qualitative acceptance report No. 402822/21 April 2022;</li> <li>xv. Quantitative and qualitative acceptance report No. 403102/14 May 2021;</li> <li>xvi. Quantitative and qualitative acceptance report of licenses No. 403476/17 June 2021;</li> <li>xvii. Commissioning report No. 403968/18 June 2021;</li> <li>xviii. Commissioning report No. 403116/17 May 2021;</li> <li>xix. Commissioning report No. 402840/21 April 2022.</li> </ol>			
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the target. Specifically:</p> <p><b>Upgraded hardware software infrastructure. These projects are concerning IT infrastructure,</b></p>			

**through hardware-software investments, which provide the necessary support for the overall operation of the customs IT system.**

As evidenced by the commissioning reports (No. 403968, No. 403116, No. 402840), quantitative reports (No. 409220, No. 401625, No. 402010, No. 402038, No. 403476, No. 403183, No. 401566), qualitative acceptance reports (No. 403957, No. 403941, No. 409219, No. 404030), and the quantitative and qualitative acceptance report (No. 402822, No. 403102, No. 403476) provided, the Romanian authorities have completed the upgrade of the hardware and software infrastructure. All the project concern IT infrastructure through hardware-software investments, which provide the necessary support for the overall operation of the customs IT system.

**Thus, this target is used to determine the degree of infrastructure upgrades (soft and hard) and involves investments in:**

- **programmable network solution, (...)**

The upgrade of the programmable network solution was carried out in two stages. As evidenced by commissioning report No. 403968/18 June 2021 (for both lots), quantitative acceptance reports No. 403476/02 June 2021 (for lot I) and No. 403183/19 May 2021 (for lot II), qualitative acceptance reports No. 403941/17 June 2021 (for both lots), and quantitative and qualitative acceptance reports for licenses No. 403476/17 June 2021 (for both lots), programmable network solutions have been upgraded.

- **VMware software code upgrades and licenses, with support / subscription included, (...)**

As evidenced by the commissioning reports No. 402840/21 April 2022 and No. 403116/17 May 2021, as well as qualitative and quantitative acceptance reports No. 402822/21 April 2022 and No. 403102/14 May 2021, VMware software code upgrades and licenses, with support/subscription included have been put into operation.

- **infrastructure security solution Customs Integrated Information System IT, including support services, licenses and subscriptions, (...)**

As evidenced by the quantitative acceptance reports No. 401566/03 March 2022 and No. 409220/14 December 2022, as well as qualitative acceptance reports No. 404030/08 June 2022 and No. 409219/14 December 2022, infrastructure security solution for the IT infrastructure, including support services, licences and subscriptions have been upgraded.

- **Oracle Database Enterprise Edition Licenses for databases required for the operation of Customs Integrated Information System components, (...)**

As evidenced by the quantitative acceptance report No. 401625/24 February 2023 and the qualitative acceptance report No. 402010/13 March 2023, the Oracle Database Enterprise Edition Licenses for databases required for the operation of Customs Integrated Information System components have been put into operation.

- **solution for centralized user management, workstations and update services for systems operating system for the Integrated Customs Information System. (...)**

As evidenced by the quantitative acceptance report No. 402038/23 March 2022 and the qualitative acceptance report No. 403957/06 June 2022, upgrades have been made to solutions for centralised user management, workstations and update services for systems operating system for the Integrated Customs Information System.

For each of the above investment, the Custom Administration provided commissioning reports or quantitative, and qualitative acceptance reports signed by the contractor and the competent authority, demonstrating projects are completed and operational. In addition, the Custom

Administration provided a list of the upgraded hardware and software solutions or equipment and locations where they are installed or distributed. The data included in the list can be corroborated with the reports submitted, as details such as the number of contracts and the numbers of the commissioning reports or quantitative and qualitative acceptance reports are also provided.

- **In line with the description of the investment, the government shall invest on software hardware infrastructure to increase processing and storage capacity for applications established by DG TAXUD**

As evidenced by the commissioning reports No. 402840/21 April 2022 and No. 403116/17 May 2021, as well as qualitative and quantitative acceptance reports No. 402822/21 April 2022 and No. 403102/14 May 2021, VMware software code upgrades and licenses, with support/subscription included have been put into operation. In addition, as evidenced by the quantitative acceptance reports No. 401566/03 March 2022 and No. 409220/14 December 2022, as well as qualitative acceptance reports No. 404030/08 June 2022 and No. 409219/14 December 2022, infrastructure security solution for the IT infrastructure, including support services, licences and subscriptions have been upgraded. Both initiatives are designed to enhance the processing and storage capabilities of applications established by DG TAXUD.

- **In line with the description of the investment, the government shall invest on the upgrade and licensing for virtualised infrastructure and implementation of a virtualisation platform with administration and automation included.**

As evidenced by commissioning report No. 403968/18 June 2021 (for both lots), quantitative acceptance reports No. 403476/02 June 2021 (for lot I) and No. 403183/19 May 2021 (for lot II), qualitative acceptance reports No. 403941/17 June 2021 (for both lots), and quantitative and qualitative acceptance reports for licenses No. 403476/17 June 2021 (for both lots), programmable network solutions have been upgraded. This investment encompasses the upgrade and licensing of virtualized infrastructure, as well as the implementation of a virtualization platform with integrated administration and automation capabilities.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 288</b>	<b>Related Measure: Creating the framework for sustainable urban mobility</b>	
<b>Name of the Milestone:</b> Entry into force of legislation in the field of sustainable urban mobility		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the sustainable urban mobility legislative act		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>The measure aims to improve mobility conditions in urban and rural areas, decrease green-house gas emission from transport and increase road safety in urban areas, through digital and green transportation solutions. The reform will be implemented through the entry into force of a legislation for sustainable urban mobility and the implementation of Sustainable Urban Mobility Plans (<i>hereinafter referred to as "SUMPs"</i>) at subnational level.</p> <p>Milestone #288 requires the entry into force of legislation for sustainable urban mobility.</p> <p>Milestone #288 is the first step in the implementation of the reform and is accompanied by milestone #289, requiring the entry into force of the ministerial order establishing a structure for technical assistance for the development of SUMPs, assessed in this payment request (see relevant</p>		

fiche below). It will be followed by milestone #290 and targets #291, #292 and #293. Milestone #290 requires the signature of public transport service contracts, target #291 aims to quantify the reduction of air pollutants, target #292 requires the reduction of people killed or seriously injured in car accidents in urban municipalities, and target #293 requires a 20% increase in yearly total passenger volume using local public transport in 2026 compared to 2019. The reform has a final expected date for implementation in Q2 2026.

**Evidence provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled;
- ii. Copy of law No. 155 on sustainable urban mobility published in Official Journal No. 486 on 31 May 2023;
- iii. Annex to Government Decision No. 1575/2022 published in Official Journal No. 1275 published on 30 December 2022 adopting the National Strategy for Integrated Urban Development for resilient, green, inclusive and competitive cities 2022-2035 (*hereinafter referred to as "the urban policy"*);
- iv. Annex to Government Decision No. 682/2022 published in Official Journal No. 535 bis on 31 May 2022 adopting the National Road Safety Strategy for 2022-2030.

**Analysis:**

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

**Entry into force of legislation in the field of sustainable urban mobility**

Law No. 155/2023 on sustainable urban mobility (*hereinafter referred to as "the Law"*) was published in Official Journal No. 486 on 31 May 2023 and entered into force within three days of its publication in the Official Journal, that is, on 3 June 2023, as established by Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

**The legislation for sustainable urban mobility shall include:**

- **measures to stimulate the renewal of the public transport fleet with clean vehicles and secure minimum national quality standards and access to public transport;**

Articles 15, 16, and 9(9) of the Law aim to stimulate the renewal of the public transport fleet with clean vehicles. Article 15 sets the following targets for the share of zero-emission vehicles in the fleet of county municipalities' public transport services: at least 5% by 2025, 10% by 2028, 20% by 2031, 30% by 2034 and 40% by 2037. Article 16 provides that vehicles purchased, including buses, must comply with the minimum targets set by directive (EU) (2019/1161), which introduces minimum targets for "clean" (low and zero-emission) vehicles in public procurements. Article 9(9) provides that from 1 November 2026 onwards, municipalities must have Sustainable Urban Mobility Plans (SUMPs) in place to receive funds for urban mobility.

Article 16 secures minimum national quality standards for the vehicles to be purchased by requiring that they comply:

- with EU Regulation 2019/2144 setting EU vehicle safety requirements; and
- with Government Emergency Ordinance 71/2021 which transposes Directive (EU) 2019/1161 (the so-called Clean Vehicles Directive) which sets out minimum targets for low and zero emission vehicles in public procurement.

In addition, Articles 17 and 18 secure access to public transport by establishing that urban planning



proposing new constructions must identify and provide public transport routes and easy access to public transport services. Finally, Article 20 provides that a minimum residential density of 40 inhabitants per hectare will be sought to support public transport. Setting a minimum residential density target helps ensure that public transport is efficient, namely that it serves the most people with minimum resource. Article 20 therefore contributes to securing access to public transport.

- **the establishment of the Guide to develop Sustainable Urban Mobility Plans in compliance with the Sustainable and Smart Mobility Strategy C (2020) 789/2020 (Commission Communication) ...**

Article 6 c) of the Law states that the competent ministry must *“draw up and approve the guide for drawing up sustainable urban mobility plans by ministerial order, in line with the provisions of the Sustainable and Smart Mobility Strategy”*.

Article 43 calls on the Ministry of Development, Public Works and Administration (MDPLA) specifically to *“draw up a guide on the preparation of sustainable urban mobility plans”*.

- **... and the assessment and quality verification of Sustainable Urban Mobility Plans;**

Article 7 provides that a National Support Group for the optimisation of SUMP is set up. This National Support Group was established by Ministerial Order No. 3232/2022 on the establishment, organization and functioning of the National Support Group for the optimization of Sustainable Urban Mobility Plans published on 20 December 2022.

- **provisions to oblige urban municipalities to establish low-emission zones, preferential routes (including bus lanes) for clean public transport. Furthermore, in line with the description of the measure, the legislation (...) binds urban municipalities to tackle air pollution at the city and functional area level through the adoption of a series of transport policies, such as the establishment of low-emission zones and incentives for the use of alternative means of transportation;**

Article 22 requires the establishment of low-emission zones by the local public administration authorities. Article 28 requires county seat municipalities to establish lanes dedicated to public transport by 1 November 2026. **measures to reduce road safety risk at urban level...**

Articles 32 to 38 introduce measures to increase safety of road traffic in urban areas. In particular, Article 34(1) requires local public administration authorities to implement measures to calm traffic and control traffic speed, where appropriate, through the SUMP. Article 34(2) recommends that speed be limited to 50 km/h on certain municipal roads on the first lane. Article 39(1) requires local public administration authorities to take steps to establish timeslots for freight vehicles. Article 39(2) calls for the provision of embarkation/disembarkation zones in school areas. Finally, Article 42 requires the competent ministry to publish guidelines on traffic calming measures to increase citizens' safety within 180 days of the entry into force of the law.

- **... and measures that allow to limit the space for private cars and the implementation and monitoring of parking policies at local level;**

Article 40 requires local public administration authorities to take measures to limit the use of personal vehicles in cities. Article 41(1) requires parking spaces to be arranged for bicycles and motorised vehicles. Article 41(2) requires the SUMP to include a section dedicated to informing the design, implementation and monitoring of parking and policies related to access to parking.

- **measures that allow the development of infrastructure to encourage the safe and secure use of public transport, bicycles and walking;**

Article 10 provides, inter alia, that SUMP's must take into account increasing the safety of all road users, redistributing street space between individual motorised transport, public transport and non-motorised transport, developing pedestrian areas and cycling infrastructure, introducing dedicated lanes for public passenger transport.

Articles 18 requires the identification and implementation of routes for public transport and direct and easy access for pedestrians and bicycle users to public transport services.

Article 19 requires, from the design phase, the prioritisation of walking, cycling, public transport and car in this order, and the provision of lanes dedicated to public transport.

The measures set out in the articles 10, 18 and 19 will allow for the development of infrastructure to encourage the safe and secure use of public transport, bicycles and walking.

By encouraging the safe and secure use of public transport, bicycles and walking, these provisions also provide incentives for the use of alternative means of transportation, in line with the description of the measure.

- **measures to allow the implementation of intermodal nodes to facilitate transport in the functional urban area/metropolitan area.**

Article 31 in section 3 on “measures for the implementation of intermodal nodes in urban areas” lists the conditions that urban nodes must respect to ensure the smooth and efficient operation of the trans-European transport network. Urban nodes must:

- “Ensure the availability of recharging and refuelling infrastructure for alternative fuels;
- develop multimodal passenger terminals to facilitate first and last mile connections, equipped with at least one recharging station dedicated to serving buses and coaches, by 31 December 2030;
- ensure the development of at least one multimodal freight terminal, if not already in place, allowing sufficient transshipment capacity within or near the urban node by 31 December 2040.”

These conditions will facilitate transport in the functional urban area/metropolitan area by insuring different types of transport networks are well connected.

**The legislation shall be developed in line with:**

- **the provisions of European Regulation No 1370/2007,...**

Regulation No. 1370/2007, known as the public service obligation (PSO) Regulation, sets out conditions under which transport operators can be compensated or given exclusive rights by public authorities to provide public transport services which are in the general interest but would otherwise not be commercially viable. The aim is to ensure access to safe, efficient, attractive and high-quality public passenger transport services.

Article 11(h) indicates that the planning and design for sustainable urban mobility will take into account “increasing the quality of public passenger transport service”. One of the objectives of regulation No. 1370/2007 is therefore considered.

Law No. 92/2007 on local public transport services transposes Regulation (EC) No. 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) No. 1191/69 and 1107/70. Thus, provisions regarding the management of public transport service are aligned Articles 1, 2, 12, 17, 21, 22, 23, 29 and 42 of Law No. 92/2007 make explicit reference to alignment with Regulation (EC) No. 1370/2007.

In turn Law No. 155/2023 is aligned with concepts introduced in Law No. 92/2007 such as the concept of transit-oriented development (article 16 (2) of Law No. 92/2007 and article 12 of Law No. 155/2023).

- **...the European General Safety Regulation (GSR) (2019/2144), which shall enter into force on 6 July 2022;**

Article 16 of the Law requires that vehicles of categories M1, M2 and M3 purchased in support of low-emission mobility by county capital municipalities (as indicated in Article 17) comply with the provisions of Regulation No. 2019/2144.

- **Romania's urban policy which shall include provisions on population density (ensuring the efficiency of the public transport service) and on the accessibility of the population to transport services (percentage of the population which is less than 0.5km away from a public transport line where there is a maximum frequency of 20 minutes);**

Romania's urban policy includes provisions on population density and on access to transport services. In its Action Plan 2022-2030 section (page 81), the urban policy recommends "a minimum residential density of 40 inhabitants/hectare". On page 81, the urban policy also recommends that indicators contributing to the implementation of the 15-minute city are established. The 15-minute city is an urban planning concept according to which most daily necessities, including public transit, can be reached by a 15-minute walk.

Article 20(1) of the Law calls for a minimum residential density of 40 inhabitants/hectare and Article 21 (d) calls for at least 60% of the population to be less than 500 metres from a public transport line with a maximum frequency of 20 minutes.

The Council Implementing Decision required that the legislation shall be developed in line with Romania's urban policy which shall include provisions [...] on the accessibility of the population to transport services (percentage of the population which is less than 0.5km away from a public transport line where there is a maximum frequency of 20 minutes)". While the urban policy includes a provision on the accessibility of the population to transport services by making a reference to the 15-minute policy, the specific indicator contained in the Council Implementing Decision is included in Article 21 (d) of the Law, which establishes that "[a]t least 60% of the population is less than 500 meters away from a public transport line where the maximum frequency is 20 minutes.

Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, this deviation is acceptable because the Law, unlike the urban policy, is legally binding, therefore further ensuring progress towards the objective of the reform to improve mobility conditions. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

- **the minimum service standards for collective public transport shall be achieved through amendments/additions to Law No 92/2007 on public passenger transport services in administrative and territorial units;**

Order No. 972/2007 added minimum service standards for collective public transport.

Article 2 of the Framework Regulation for the performance of local public transport, provided in Annex No. 1 of Order No. 972/2007, introduces requirements and needs which must be fulfilled by local public transport services. This includes improving road safety, environmental protection and the quality of local public transport (Article 2 (a)).

Article 1 of the Framework specifications for local public transport services, provided in Annex No. 1 of Order No. 972/2007, establishes the conditions to perform the local public transport service by regular routes, establishing the quality levels and technical conditions necessary to perform this service efficiently and safely.

Law No. 155/2023 has been developed in line with these standards.

Indeed, Law No. 155/2023 includes measure to improve road safety, environmental protection and the quality of local public transport, as justified previously.

- **the reforms on road safety and regional and urban mobility established under the sustainable transport component (milestones 65-68)**

This requirement requires that the legislation shall be developed in line with the reforms included under milestones 65, 66, 67 and 68 of the Annex to the Council Implementing Decision.

Milestone 65, assessed as satisfactorily fulfilled under the 2<sup>nd</sup> payment request, requires the adoption of the National Road Safety Strategy. Milestone 66, assessed under this third payment request (see relevant fiche above), requires the entry into force of the road safety legislation on monitoring, enforcement and sanctions on road safety offences. Target 67, indicatively due in Q4 2024, requires the installation of equipment to increase speed enforcement and compliance with road safety rules. Target 68, indicatively due in Q1 2026, requires the reduction of the number of road accident victims (seriously injured and deceased people) by 25% compared to the 2019 baseline.

Milestone 65 – Alignment of the Law with the National Road Safety Strategy:

Chapter VII of the Law on “measures to increase safety and fluency of road traffic in urban areas” introduces measures to ensure safety requirements in urban areas. In particular, Article 34(1) requires public administration authorities to implement measures to calm traffic to control speed of travel where excessive through the SUMP. Article 34(2) recommends that on certain stretches of municipal public roads travel speed be limited to 50 km/h.

According to Article 42, a guide on traffic calming measures to improve citizen safety must be drawn up within 180 days of the entry into force of the Law.

These measures are in line with the National Road Safety Strategy for the period 2022-2030, which

includes measures for the reduction of speed limits in specific areas or roads depending on accidents data/risk analysis. In addition, 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).

Milestone 66 - Entry into force of the road safety – legislation - legislation on monitoring, enforcement and sanctions on road safety offences

Chapter VII of Law No. 155/2023 on “measures to increase the safety and fluency of road traffic in urban areas” requires, inter alia, authorities to take measures to calm traffic (Article 32) and improve the safety of vulnerable road users (Article 34)

Target 67 - Installed and functional equipment to increase speed enforcement and compliance with road safety rules

Article 27 of Law No. 155/2023 require Bucharest and first rank municipalities to implement intelligent transport systems by 31 December 2027 such as systems for ascertaining deviations (Article 27 (e)) and electronic ticketing systems (Article 27 (f)).

Target 68 - Reducing the number of road accident victims (seriously injured and deceased people) by 25% compared to the 2019 baseline

Article 34 of the Law which requires authorities to calm traffic to improve the safety of vulnerable road users.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 289</b>	<b>Related Measure: Creating the framework for sustainable urban mobility</b>	
<b>Name of the Milestone:</b> Entry into force of the ministerial order establishing a structure for the provision of technical assistance for the development of Sustainable Urban Mobility Plans (SUMPs) established and operational		
<b>Qualitative Indicator:</b> Provision in the ministerial order indicating the entry into force of the structure for the provision of technical assistance for the development of SUMPs		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>Milestone #289 is part of reform C10.R1, which aims to improve mobility conditions in urban and rural areas, decrease green-house gas emission from transport and increase road safety in urban areas, through digital and green transportation solutions. The reform consists of the entry into force of a legislation for sustainable urban mobility and the implementation of Sustainable Urban Mobility Plans (<i>hereinafter referred to as “SUMPs”</i>) at subnational level.</p> <p>Milestone #289 requires the entry into force of the ministerial order establishing a structure for the provision of technical assistance for the development of Sustainable Urban Mobility Plans (SUMPs) and the operationalisation of that structure.</p> <p>Milestone #289 is the second step in the implementation of the reform and is preceded by milestone #288, requiring the entry into force of legislation for sustainable urban mobility, assessed in this payment request (see relevant fiche above). It will be followed by milestone #290 #290 requiring the signature of public transport service contracts, targets #291 aiming to quantify the</p>		

reduction of air pollutants, #292 requiring the reduction of people killed or seriously injured in car accidents in urban municipalities, and #293 requiring a 20% increase in yearly total passenger volume using local public transport in 2026 compared to 2019. The reform has a final expected date for implementation in Q2 2026.

**Evidence provided:**

The following evidence was provided:

- i. Cover note duly justifying how the milestone was satisfactorily fulfilled.
- ii. Copy of Ministerial Order No. 3232 on the establishment, organisation and functioning of the National Support Group for the Optimisation of Sustainable Urban Mobility Plans (SUMPs) published in Official Journal No. 1228 on 20 December 2022
- iii. Notices of meetings of the National Support Group for the optimisation of SUMPs

**Analysis:**

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

**In line with the description of the measure, Law No. 155/2023 “tasks an ad-hoc National Body under the Ministry for Development, Local Works and Administration with providing support as needed”**

Article 7 of Law No. 155/2023 establishes the National Support Group for the optimization of sustainable urban mobility plans at the level of the relevant ministry to support the local public administration authorities in the process of developing or updating sustainable urban mobility plans.

Because the Group was established for a particular purpose as necessary, it is ad-hoc.

**Entry into force of the ministerial order establishing a structure for the provision of technical assistance for the development of Sustainable Urban Mobility Plans (SUMPs) established and operational**

Ministerial Order No. 3232 on the establishment, organisation and functioning of the National Support Group for the Optimisation of SUMPs was published in Official Journal No. 1228 on 20 December 2022. Article 4 provides that Annexes 1 and 2 form an integral part of the Ministerial Order.

The Ministerial Order entered into force on 23 December 2022, that is on the third day after its publication in the Official Journal, as established by Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Six notices of meetings were provided. Each notice indicates the agenda of the meeting and the attendees. This demonstrates that the National Support Group for the optimisation of SUMPs (*hereinafter* Grupului național suport ‘GNS’) is operational.

**A National Body shall be created under the supervision of the Ministry for Development, Public Works and Administration...**

Article 1 of the Ministerial Order approves the establishment, organisation and operation of the GNS.

Article 4 of Annex 2 to the Ministerial Order provides that the work of the GNS is led by a president

who is appointed by the Minister for Development, Public Works and Administration (*hereinafter 'MDLPA'*).

Article 3 provides that GNS analyzes and proposes for approval the SUMP documentation, which according to the legislation in force requires the approval of the MDLPA.

As provided in Article 5(1), the president leads the work of the GNS.

**... and in coordination with line ministries such as Ministry of Transport and Ministry of Environment**

Article 2(1) of Annex 2 provides that the GNS is an inter-ministerial and interdisciplinary body.

Article 8 (c) provides that the GNS consists of members including representatives of ministries with competences in the field of urban mobility.

Annex 1 of the Ministerial Order provides that the Ministry of Transport and Infrastructure, as well as the Ministry of Environment, Water and Forests are members of the GNS.

Coordination is ensured by the membership of ministries in the GNS.

**...and shall be responsible to support cities to draw up Sustainable Urban Mobility Plans and assess and verify the quality of SUMP.**

Article 3 of Annex 2 provides that the GNS has the following tasks:

- “Support local public authorities in developing or updating SUMPs through technical guidance, recommendations, views at different stages of SUMP development/update;
- analyse and propose for endorsement the SUMP documentation [...];
- participate in the development of the SUMP development guide, including the setting of SUMP quality requirements [...];
- contribute to the monitoring of the field of sustainable urban mobility”.

**The central public administration shall support cities in developing/updating SUMPs by organising regular meetings of the National Group on the optimisation of SUMPs in Romania, organised by the Ministry of Development, Public Works and Administration which shall bring together the relevant actors (representatives of central, local public administration, academia, private environment, NGO).**

Article 3 of Annex 2 provides that the GNS must support local public authorities in developing or updating SUMPs. Article 15(2) of the same Annex provides that the GNS shall meet at least twice a year at the MDLPA headquarters.

Given that the president of the GNS is a secretary of state within the MDLPA (article 4) and that it is the duty of the president to organise meetings, it can be considered that the MDLPA organises the regular meetings of the GNS.

Article 8(1) of Annex 2 provides that the GNS is composed of 36 members as follows:

- a) specialists in the field [...];
- b) representatives of MDLPA;
- c) representatives of ministries with competences in the field of urban mobility;
- d) representatives of associative structures of local public authorities.

Article 8(2) of Annex 2 provides that “other specialists from interested public institutions/organisations may be invited to attend meetings of the GNS, without the right to vote. Representatives of beneficiary local public authorities are also invited to support their point of view for the SUMP documentation reviewed.”

Annex 1 of the Ministerial Order lists the 36 members of the GNS, which includes representatives of central, local public administration, academia, private environment (i.e. stakeholders not attached to a specific organisation) and NGOs such as representatives of the:

- MDLPA,
- National Union of County Councils of Romania,
- Polytechnic University of Bucharest (Faculty of Transport),
- Eight experts not attached to a specific organisation
- UVS Romania Association

To name a few examples.

**The secretariat of the National Group shall be ensured by the Ministry of Development, Public Works and Administration.**

As provided by Article 2(2) of Annex 2, the MDLPA provides the GNS secretariat.

**Commission Preliminary Assessment:** Satisfactorily fulfilled



<b>Number: 294</b>	<b>Related Measure: Sustainable urban mobility</b>
<b>Name of the Milestone:</b> Signature of contracts for the renewal of public transport fleets (procurement of clean vehicles)	
<b>Qualitative Indicator:</b> Signature of contracts	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #294 is part of investment C10.I1, which aims to increase access to sustainable and safe mobility solutions in urban and rural areas.</p> <p>Milestone #294 requires the signature of contracts for the renewal of public transport fleets.</p> <p>Milestone #294, is the first step of the part of this investment concerning the upgrade of the transport infrastructure by securing its environmental sustainability through new zero-emissions public transport vehicles, and will be followed by target #296 on the number of additional zero-emission vehicles in operation and target #297 requiring an increase in the share of travels in Administrative Territorial Units with local public transport services using zero-emission vehicles compared to 2019. In parallel, milestone #298 which requires the signature of contracts for the provision of intelligent transport systems and other ICT infrastructure (see relevant fiche below) is the first step in the implementation of the part of the investment concerning intelligent transport systems and other ICT infrastructure to increase road security and will be followed by targets #299 and #300 on the number of administrative Territorial Units having developed or expanded intelligent transport systems, e-ticketing or other ICT infrastructures. In addition, milestone #301, requiring the signature of contract for building electric vehicle recharging points (see relevant fiche above), is the first step of the part of this investment concerning the upgrade of the transport infrastructure by building additional charging points for electric vehicles at local and metropolitan level and will be followed by target #303 on the number of additional recharging points for electric vehicles.</p> <p>The investment has a final expected date for implementation on 30 June 2026.</p>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Cover note duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approving the Specific Guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund.</li> <li>iii. Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022 amending and supplementing the Specific Guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, component 10 – Local Fund, approved by Order of the Minister for Development, public works and administration No. 999/2022. List of signed contracts setting out the contract number, duration of the project, project title, relevant county of implementation and financial value.</li> <li>iv. 60 signed contracts sampled.</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.</p>	
<p><b>The financing scheme shall set out the criteria and conditions to be met for funding for</b></p>	

**beneficiaries that shall be selected via open, and transparent call for proposals...**

Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approves the Specific Guide on Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund (*hereinafter “the Specific Guide”*). The Specific Guide is provided as an Annex to Ministerial Order No. 999/2022. Article 1 of the Ministerial Order provides that the Annex forms an integral part of the order.

Section 2 of the Specific Guide provides for two calls for proposals and sets out the eligible applicants for funding as well as the application period and the amounts allocated to each investment. Section 3 of the Specific Guide provides the general eligibility conditions. Section 5 on project verification, contracting and implementation provides that “all purchases related to investments in Component 10 NRRP must be made using a competitive, transparent and non-discriminatory procedure.”.

Article 1(2) of Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022, which amends and supplements the Specific Guide, modifies the period of application of the second call for proposals.

The first call for proposals ran from 16 May 2022 till 30 June 2022, as provided for in Article 1(2) of Ministerial Order No. 999/2022 and the second call for proposals ran from 14 October 2022 till 27 October 2022, as provided for in Article 1(2) of Ministerial Order No. 999/2022 amended by Ministerial Order No. 2615/2022.

Ministerial Order No. 2615/2022 does not modify any of the elements of the Specific Guide referenced below.

**...which shall include inter alia the following specifications:**

**- Compulsory alignment of the investments with the Sustainable Urban Mobility Plan/Integrated Sustainable Development/General Urban Plan approved or under development;**

Section 2 of the Specific guide provides that the “compulsory alignment of investments with Sustainable Urban Mobility Plans/Integrated Urban Development Strategies/General Urban Plans, approved or under preparation/approval” is a condition to be met for an activity to be eligible for funding under this measure (page 36).

**- Ensuring coverage with mobility services in the functional and peri-urban area. Ensure prioritisation and promotion of public transport in local traffic by planning preferential routes and bus lanes on most frequented/congested arteries;**

Section 2 of the Specific Guide provides that the “provision of public transport services in functional urban areas/peri-urban areas” and “ensuring the prioritisation and promotion of public transport by planning bus lanes and routes on the most visited/busy arteries, including intelligent transport systems;” are conditions to be met for an activity to be eligible for funding under the measure (page 36).

**- Having a public service contract with economic operators in accordance with the provisions of Regulation (EC) No 1370/2007;**

Section 2 of the Specific guide provides that "having a public service contract with economic

operators in accordance with the provisions of Regulation (EC) No 1370/2007” is a condition to be met for an activity to be eligible for funding under the measure (page 36).

**- Mandatory classification of purchased vehicles under the provisions of the European General Safety Regulation — GSR (2019/2144), which shall enter into force on 6 July 2022.**

Section 2 of the Specific guide provides that “the means of transport purchased must be approved” and that this “mandatory approval of purchased vehicles shall be in accordance with the provisions of Regulation (EU) GSR 2019/2144 on general vehicle safety assurance, which will be implemented from 6 July 2022” (page 36).

**Criteria for the funding of exclusively zero-emission vehicles: buses, trolleybuses using a zero-emission engine or battery, trams, and minibuses.**

Section 2 of the Specific Guide lists trams, trolleys, buses, minibuses as clean urban transport rolling stock whose purchase can be funded under the measure (page 36).

**Priority shall be given for investments implemented in functional urban or rural areas.**

A functional urban area consists of a city and its commuting zone. A functional rural area is an area which captures the vast majority of daily trips.

Section 2 of the Specific Guide provides that activities can only be deemed eligible if submitted in partnership with at least two neighbouring administrative territorial units or if submitted by a body demonstrating membership to an Intercommunity Development Association for Public Transport, which is a cooperation structure of local public authorities (page 36).

This ensures that priority is given to functional areas.

**Signature of contracts for the renewal of public transport fleets (procurement of clean vehicles).**

Romania submitted a list of 226 contracts that have been signed for the renewal of public transport fleets, setting out the contract number, duration of the project, project title, relevant county of implementation and financial value.

Following the selection of a random sample of 60 contracts, Romania submitted copies of 60 financing contracts. The evidence provided for the sample of 60 contracts confirmed that each contract in the sample caters for the requirements set out in the Council Implementing Decision Annex.

Each contract was duly signed and included a legally binding reference to the provisions of Ministerial Order No. 999/2022 approving the Specific Guide in the section called “preliminary specifications”, (7), making it a full part of the contract. As set out above, the Specific Guide sets out conditions fulfilling all requirements of the Council Implementing Decision Annex. Consequently, the binding reference to the Specific Guide in each contract establishes the obligation for the final recipient to comply with these conditions and the verification of the signature ensures that the contract is binding.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number: 298</b>	<b>Related Measure: Sustainable urban mobility</b>
<b>Name of the Milestone:</b> Signature of contracts for the provision of ITS/other ICT infrastructure	
<b>Qualitative Indicator:</b> Signature of contracts	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #298 is part of investment C10.I1, which aims to increase access to sustainable and safe mobility solutions in urban and rural areas.</p> <p>Milestone #298 requires the signature of contracts for the provision of intelligent transport systems and other ICT infrastructure.</p> <p>Milestone #298 is the first step in the implementation of the part of the investment concerning intelligent transport systems and other ICT infrastructure to increase road security and will be followed by targets #299 and #300 on the number of administrative Territorial Units having developed or expanded intelligent transport systems, e-ticketing or other ICT infrastructures. In parallel, milestone #294, which requires the signature of contracts for the renewal of public transport fleets (see relevant fiche above), is the first step of the part of this investment concerning the upgrade of the transport infrastructure by securing its environmental sustainability through new zero-emissions public transport vehicles, and will be followed by target #296 on the number of additional zero-emission vehicles in operation and target #297 requiring an increase in the share of travels in Administrative Territorial Units with local public transport services using zero-emission vehicles compared to 2019. In addition, milestone #301, requiring the signature of contracts for building electric vehicle recharging points (see relevant fiche above), is the first step of the part of this investment concerning the upgrade of the transport infrastructure by building additional charging points for electric vehicles at local and metropolitan level and will be followed by target #303 on the number of additional recharging points for electric vehicles.</p> <p>The investment has a final expected date for implementation on 30 June 2026.</p>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approving the Specific Guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund.</li> <li>iii. Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022 amending and supplementing the Specific Guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, component 10 – Local Fund, approved by Order of the Minister for Development, public works and administration No. 999/2022.</li> <li>iv. List of signed contracts setting out the contract number, duration of the project, project title, relevant county and financial value.</li> <li>v. 60 signed contracts sampled.</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all</p>	

constitutive elements of the milestone.

**The scheme shall set out the criteria and conditions to be met for funding for beneficiaries that shall be selected via open, and transparent call for proposals...**

Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approves the Specific Guide on Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund (*hereinafter “the Specific Guide”*). The Specific Guide is provided as an annex to Ministerial Order No. 999/2022. Article 1 of the Ministerial Order provides that the annex forms an integral part of the Order.

Section 2 of the Specific Guide provides for two calls for proposals and sets out the eligible applicants for funding as well as the application period and the amounts allocated to each investment. Section 3 of the Specific Guide provides the general eligibility conditions. Section 5 on project verification, contracting and implementation provides that “all purchases related to investments in Component 10 NRRP must be made using a competitive, transparent and non-discriminatory procedure”.

Article 1(2) of Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022, which amends and supplements the Specific Guide, modifies the period of application of the second call for proposals.

The first call for proposals ran from 16 May 2022 till 30 June 2022, as provided for in Article 1(2) of Ministerial Order No. 999/2022 and the second call for proposals ran from 14 October 2022 till 27 October 2022, as provided for in Article 1(2) of Ministerial Order No. 999/2022 amended by Ministerial Order No. 2615/2022.

Ministerial Order No. 2615/2022 does not modify any of the elements of the Specific Guide referenced below.

**... which shall include inter alia the following specifications:**

**- Compulsory alignment of the investments with the Sustainable Urban Mobility Plan/Integrated Sustainable Development/General Urban Plan approved;**

Section 2 of the Specific guide provides that the “compulsory alignment of investments with Sustainable Urban Mobility Plans/Integrated Urban Development Strategies/General Urban Plans, approved or under preparation/approval” is a condition for an activity to be eligible for funding under this measure (page 38).

**- Ensuring coverage with mobility services in the functional and peri-urban area. Ensure prioritisation and promotion of public transport in local traffic by planning preferential routes and bus lanes on most frequented/congested arteries;**

Section 2 of the Specific Guide provides that “ensur[ing] coverage of mobility services in functional and peri-urban areas” and “ensuring the prioritisation and promotion of public transport by planning bus lanes and routes on the most visited/busy arteries, including intelligent transport systems” are conditions for an activity to be eligible for funding under the measure (page 38).

**The following actions shall be eligible under Intelligent Transport Systems (in line with**

#### **intervention field 076 - Digitalisation of urban transport)**

- Smart traffic management
- Charging solutions
- Integrated smart parking solutions
- Traffic control centres
- Speed adaptation warning systems
- Safety systems for the working area
- Interconnected traffic light system
- Monitoring of travel times and speed
- Weighing systems in motion
- Priority signal for the use of emergency vehicles
- Dynamic message signs
- Travel planner for public transport.
- Integrated passenger information systems

Section 2 of the Specific Guide provides that all the actions listed above as falling under code 076 – *digitalisation of urban transport* are eligible under this measure (pages 36-38).

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the action listed in the milestone description and has undertaken the assessment on a revised basis. In such description, it is stated that “*The following actions shall be eligible under Intelligent Transport Systems (in line with intervention field 076 - Digitalisation of urban transport) [...] - Charging solutions*”. The action “Charging solutions” is a mistranslation of “Soluții de taxare” which is the second action in the Romanian translation of the Annex to the Council Implementing Decision. This action correctly translates to “toll solutions”, and this action is listed in the Specific Guide. In addition, the description of this milestone included in the Romanian RRP lists the concerned eligible action as “toll solutions – Dynamic tolling schemes are increasingly used as an important tool for city and traffic managers to sustainably influence traffic flows inside and outside cities and reduce emissions” (translation from Romanian to English). This confirms the clerical error. Against this background, the justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of this milestone description requirement.

#### **Other types of ICT infrastructures (in cities and municipalities)**

**- Smart City/Smart Village concept shall also be eligible in relation to technological developments (in line with intervention field 021ter Development of highly specialised support services and facilities for public administrations and businesses) such as:**

- Use of drones to inspect areas or situations of risk (mountain areas).
- Real-time Situation Monitoring Centre in the city - Smart management systems for green space systems.
- Extension of the WiFi system in public spaces.
- Smart urban furniture.
- Public space monitoring and safety system.
- Valorisation of heritage objectives through digital digitisation or reconstruction
- One-stop-shop for business.
- Platform to attract investments.
- Platform for communicating with citizens and forming community initiatives
- Local community innovation hubs
- Development or modernisation of vocational education and training infrastructure.
- Digitalisation of the education system.

- **Metropolitan GIS databases.**
- **Open data platform**
- **Virtual civil servant.**
- **'Cloud' services**
- **Digital Public Service Platform.**
- **Registration and document issuing systems**
- **Urban data centre and realtime monitoring of the state of the city.**
- **City app (application to inform citizens and identify problems at local level).**
- **Online payment of taxes.**
- **Online planning system — website that allows citizens to be encoded online at various APL desks.**
- **Public service information kiosks.**
- **Online platform and/or mobile application to map energy consumption at neighbourhood or city level.**
- **Smart electricity grid that may be deployed in different areas of collective housing (Smart Grid).**
- **Automation of irrigation systems for green space**
- **'Smart' sanitation infrastructure.**
- **Real-time monitoring of the state of technical and municipal infrastructure and consumption**

The Council Implementing Decision states that *“Smart City/Smart Village concept shall also be eligible in relation to technological developments (in line with intervention field 021ter Development of highly specialised support services and facilities for public administrations and businesses) such as [list of technological developments]”*. Section 2 of the Specific Guide provides that urban/local intelligent management systems falling under code 021ter – *Development of highly specialised support services and structures for public administrations and businesses* are eligible and gives examples of eligible types of ICT infrastructure, stating that the eligible actions are “not limited to” the ones listed (page 37). While the examples listed do not include all of the actions in the description of the milestone, it can be considered that both the milestone description and the Specific Guide are only citing examples of actions rather than a legally binding list of items. This is further supported by the Romanian RRP’s description of the milestone which states that *“other types of ICT infrastructure that can contribute to the implementation of the Smart City/Smart Village concept will also be eligible in relation to technological development (in line with the intervention field 021ter (Development of highly specialised services and support structures for public administrations and businesses), such as: [...]”*.

#### **Signature of contracts for the provision of ITS/other ICT infrastructure.**

Romania submitted a list of these 1 286 contracts that have been signed, setting out the contract number, duration of the project, project title, relevant county and financial value.

Following the selection of a random sample of 60 units, Romania submitted 60 financing contracts.

The analysis of this evidence showed that each element in the sample is aligned with the requirements set out in the CID.

In particular, the Commission verified that each sampled contract includes a legally binding reference to the provisions of Ministerial Order No. 999/2022. The Commission also verified that each contract is duly signed.

As set out above, the Specific Guide sets out conditions fulfilling all requirements of the CID Annex. Consequently, the binding reference to the Specific Guide in each contract establishes the obligation for the final recipient to comply with these conditions and the verification of the signature ensures that the contract is binding. The evidence provided for a sample of 60 units confirmed that the requirement of the milestone has been met.

**Furthermore, in line with the description of the measure, “Investments shall be equally based on compulsory alignment with the Sustainable Urban Mobility Plan/Integrated Sustainable Development/General Urban Plan approved or under development [...] and having a public service contract with economic operators in accordance with the provisions of Regulation (EC) No 1370/2007.”**

Regulation No. 1370/2007, known as the public service obligation (PSO) Regulation, sets out conditions under which transport operators can be compensated or given exclusive rights by public authorities to provide public transport services which are in the general interest but would otherwise not be commercially viable. The aim is to ensure access to safe, efficient, attractive and high-quality public passenger transport services.

Member States must apply the conditions of Regulation (EC) No. 1370/2007 when compensating public service operators for costs incurred and/or when granting exclusive rights in return for the discharge of public service obligations, as provided in Article 1 of the Regulation. The Regulation applies to investments that would otherwise not be commercially viable. Section 3.3 of the Specific Guide on the application of State aid rules (page 17) provides that for investments related to ITS/other ICT infrastructure committed to infrastructure operators which constitute State aid, financing will only be granted on the basis of the public service contract awarded in accordance with Regulation (EC) No 1370/2007.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 301	<b>Related Measure:</b> Sustainable urban mobility	
<b>Name of the Milestone:</b> Signature of contracts for building electric vehicle recharging points		
<b>Qualitative Indicator:</b> Signature of contracts		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>Milestone #301 is part of investment C10.I1, which aims to upgrade transport infrastructure, securing its environmental sustainability through new zero-emissions public transport vehicles, building additional 5 600 charging points for electric vehicles at local/metropolitan level.</p> <p>Milestone #301 is the first step in the implementation of the strand of the investment concerning charging points for electric vehicles. It will be followed by target #303 requiring the installation of 5 600 charging points.</p> <p>The investment has a final expected date for implementation in Q2 2026.</p>		
<b>Evidence provided:</b>		



The following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii. Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approving the Specific Guide - Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund. Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022 amending and supplementing the Specific Guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, component 10 – Local Fund, approved by Order of the Minister for Development, public works and administration No. 999/2022.
- iii. List of signed contracts setting out the contract number, duration of the project, project title, relevant county of implementation and financial value - Registrul contractelor C10 - Fondul Local.xlsx.
- iv. 60 signed contracts sampled – N.3, 4, 7, 9, 10, 13, 16, 17, 18, 19, 20, 21, 23, 25, 30, 32, 33, 34, 35, 36, 37, 38, 41, 50, 51, 52, 53, 54, 55, 56, 57, 62, 66, 67, 71, 73, 76, 77, 78, 79, 83, 84, 87, 88, 90, 95, 97, 98, 100, 103, 106, 107, 108, 109, 110, 113, 114, 123, 124, 128 .

**Analysis:**

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

**The scheme shall set out the criteria and conditions to be met for funding for beneficiaries that shall be selected via open, and transparent call for proposals...**

Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approves the Specific Guide on Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund (*hereinafter “the Specific Guide”*). The Specific Guide is provided as an annex to Ministerial Order No. 999/2022. Article 1 of the Ministerial Order provides that the annex forms an integral part of the Order.

Section 2 of the Specific Guide provides for two calls for proposals and sets out the eligible applicants for funding as well as the application period and the amounts allocated to each investment. Section 3 of the Specific Guide provides the general eligibility conditions. Section 5 on project verification, contracting and implementation provides that “all purchases related to investments in Component 10 NRRP must be made using a competitive, transparent and non-discriminatory procedure”.

**... which shall include inter alia the following specifications:**

**- Compulsory alignment of the investments with the Sustainable Urban Mobility Plan/Integrated Sustainable Development/General Urban Plan approved;**

Annex 1, section II, of the Specific Guide provides that the “compulsory alignment of investments with Sustainable Urban Mobility Plans/Integrated Urban Development Strategies/General Urban Plans, approved or under preparation/approval” is a condition for an activity to be eligible for funding under this measure (page 38).

**- Ensuring coverage with mobility services in the functional and peri-urban area. Ensure**

**prioritisation and promotion of public transport in local traffic by planning preferential routes and bus lanes on most frequented/congested arteries;**

Annex 1, section II, of the Specific Guide provides that “ensuring coverage of mobility services in functional and peri-urban areas” and “ensuring the prioritisation and promotion of public transport by planning bus lanes and routes on the most visited/busy arteries, including intelligent transport systems” are conditions for an activity to be eligible for funding under the measure (page 38).

- **Having a public service contract with economic operators in accordance with the provisions of Regulation (EC) No 1370/2007.**

Annex 1, section II, 1.1 B of the Specific Guide includes “holding a public service contract with economic operators in accordance with the provisions of Regulation (EC) No 1370/2007” among the conditions mandatory to be fulfilled by the applicant (page 37).

**Until 2026, county seat cities (including each sector in Bucharest) shall each ensure the development of a minimum of 40 recharging points for electric vehicles accessible to the public/Administrative Territorial Unit**

Annex 1, section II, I.1.3 B of the Specific Guide provides that “by 2026, all municipalities that are county seats (including each sector in Bucharest) shall each ensure the development of a minimum of 40 recharging points for electric vehicles accessible to the public/administrative-territorial unit” (page 39). In particular, based on the guideline it was mandatory for all local public authorities that applied for funding to include the installation of a number of recharging points for electric vehicles as follows: sectors of municipality of Bucharest - 44 charging stations; county seat municipalities - 45 charging stations, other municipalities - 10 charging stations, towns - 6 charging stations, communes (applies only for the communes in the area adjacent to municipalities, communes which are tourist resorts and communes which are crossed by national roads) (page 52).

**Signature of contracts for building electric vehicle recharging points.**

Romania submitted a list of 130 contracts that have been signed for building electric vehicle recharging points, setting out the contract number, duration of the project, project title, relevant county of implementation and financial value.

Following the selection of a random sample of 60 contracts, Romania submitted 60 copies of financing contracts. The evidence provided for the sample of 60 contracts confirmed that each contract in the sample caters for the requirements set out in the Council Implementing Decision Annex.

In particular, each sampled contract was duly signed and included a legally binding reference to the provisions of Ministerial Order No. 999/2022 approving the Specific Guide in the section called “preliminary specifications”, (7), making it a full part of the contract.

As set out above, the Specific Guide sets out conditions fulfilling all requirements of the Council Implementing Decision Annex. Consequently, the binding reference to the Specific Guide in each contract establishes the obligation for the final recipient to comply with these conditions and the verification of the signature ensures that the contract is binding.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 351</b>	<b>Related Measure: Increased capacity for the management of public health funds</b>
<b>Name of the Milestone:</b> Entry into force of the ministerial order for the performance and quality indicators to be used for the selection of the medical units benefiting from the Health Quality Fund	
<b>Qualitative Indicator:</b> Provision in the ministerial order indicating the entry into force of the ministerial order adopting the set of quality of care indicators and the necessary methodology for the selection of beneficiary medical Facilities	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of reform C12.R1 is to increase the efficiency of public health spending. To reward the most performant healthcare providers based on objective and measurable criteria, the reform introduces performance and quality indicators and launched a pilot scheme. The indicators will be used to select medical units benefiting from the Health Quality Fund.</p> <p>Milestone #351 is the first step of the implementation of this reform. It will be followed by milestone #352 related to the entry into force of the Government Decision for a new model framework contract governing the conditions for granting medical assistance, medicines and medical devices, assistive devices and technologies within the framework of the health insurance system, milestone #353 related to the entry into force of the legislative amendment required to include budget spending review outcomes in the budgetary process, and target #354 aiming to improve the accessibility of healthcare by reducing the percentage of persons reporting unmet medical needs. The reform has a final expected date for implementation of 30 June 2026.</p>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii) Copy of Ministerial Order No. 2567 of 1 August 2023 approving the Methodology for the establishment of performance and quality indicators used to select health units with beds, beneficiaries of the Fund for quality of healthcare, published in the Official Journal No. 711 on 2 August 2023 (hereinafter referred to as “Ministerial Order No. 2567/2023”);</li> <li>iii) Copy of Ministerial Order No. 4201 of 14 December 2023 approving the Methodology for performance-based selection of health units with beds, beneficiaries of the Health Quality Fund, published in the Official Journal No. 1133 on 14 December 2023 (hereinafter referred to as “Ministerial Order No. 4201/2023”).</li> <li>iv) Copy of Government Decision No. 1236 of 12 October 2022 approving the Memorandum of Understanding between the World Health Organisation and the Romanian Ministry of Health as the main beneficiary of the national plan grant recovery and Resilience Facility for Romania, signed in Bucharest and Copenhagen on 10 June 2022, of Amendment 1 to the Memorandum of Understanding, signed in Bucharest and Copenhagen on 1 August 2022, and 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 (hereinafter referred to as “Government Decision No. 1236/2022”).</li> </ul>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.</p>	

### **Entry into force of the ministerial order for the performance and quality indicators to be used for the selection of the medical units benefiting from the Health Quality Fund**

The Council Implementing Decision required the entry into force of the ministerial order for the performance and quality indicators to be used for the selection of the medical units benefiting from the Health Quality Fund. Instead, Romania adopted two ministerial orders. Ministerial Order No. 2567/2023 approving the Methodology for the establishment of performance and quality indicators used to select health units with beds, beneficiaries of the Fund for quality of healthcare was published in the Official Journal No. 711, and entered into force on the date of its publication in the Official Journal on 2 August 2023, according to the provisions of Article 12(3) of Law No. 24/2000 on legislative technique rules for drafting legal acts. Ministerial Order No. 4201/2023 approving the Methodology for performance-based selection of health units with beds, beneficiaries of the Health Quality Fund was published in the Official Journal No. 1133, and entered into force on the date of its publication in the Official Journal on 14 December 2023, according to the provisions of Article 12(3) of Law No. 24/2000 on legislative technique rules for drafting legal acts. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, both Ministerial Orders have the same legally binding value and ensure that the outcome of having performance and quality indicators ready to be used for the selection of the medical units benefiting from the Health Quality Fund has been achieved. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

### **The Ministry of Health shall develop and adopt a set of process indicators, outcome indicators and patient-specific indicators to be used for the evaluation of healthcare providers.**

The Ministry of Health developed in coordination with relevant national stakeholders, in particular the Romanian Health Quality Agency, hospitals and health facilities across the country, and with technical assistance through the WHO Quality of Care unit, a set of indicators to be used for the evaluation of healthcare providers summarised in the indicators report. Government Decision No. 1236/2022 approved the memorandum of understanding between the World Health Organisation and the Ministry of Health which includes in Annex I the project description for the technical assistance in the development of indicators for this milestone. The final set of indicators was adopted through Ministerial Order No. 2567/2023. The indicators are listed in Annex 1, Table 1 of Ministerial Order No. 4201/2023 as part of the methodology for selecting the medical units benefitting from the Health Quality Fund and cover:

- Process indicators: Percentage of in-hospital patients assessed for fall risk through applied protocols; Percentage of in-hospital patients assessed for pressure ulcers' risk through applied protocols; Percentage of patients undergoing surgery where the Surgical Safety Checklist was applied; Percentage of healthcare workers participating in training activities; Percentage of healthcare workers that followed standard protocol for occupational health upon a sharp injury during working hours; Percentage of healthcare workers with updated influenza vaccination schedule; Percentage of cancer patients whose nutritional status was assessed through applied protocols.
- Outcome indicators: Central line associated bloodstream infections (CLABSI) rate; Ventilator-associated events (VAE) rate; Incidence rate of patients' falls during hospitalization; Incidence rate of pressure ulcers acquired during hospitalization; Post-operative bleeding rate requiring surgical re-intervention; Surgical site infections (SSI) rate; In-hospital mortality by heart Failure; In-hospital mortality by acute myocardial infarction; In-hospital mortality by pneumonia; Percentage of patients readmitted to the ICU after 48 hours after transfer; Unscheduled readmission to hospital within 30 days of discharge for heart failure through the emergency room heart failure; Average length of hospitalization (hospital stay); Percentage of surgeries with a perioperative hospital length of stay less than

48 hours; Pre-operative hospital length of stay; In-hospital mortality by ischaemic stroke; Time from admission to treatment for ischaemic stroke (door to needle time).

- Patient-specific indicators: Patient experience questionnaires' completion rate; Patient experience after hospital discharge rate; Central line associated bloodstream infections (CLABSI) rate; Ventilator-associated events (VAE) rate; Incidence rate of patients' falls during hospitalization; Incidence rate of pressure ulcers acquired during hospitalization; Post-operative bleeding rate requiring surgical re-intervention; Surgical site infections (SSI) rate.

**The Ministry of Health shall develop and adopt the methodology for performance-based selection of recipient establishments.**

Based on the indicators, the Ministry of Health and stakeholder developed with the WHO Quality of Care unit a methodology to be applied for the performance-based selection of benefiting hospitals., as agreed in Annex I, result 1.1.2 of the Memorandum of Understanding approved through Government Decision No. 1236/2022. Article 1 of Ministerial Order No. 4201/2023 approves the developed methodology, which is described in detail in Annex 1, Table 2 of the Order. It establishes in Step I letters a)-d) of Annex 1 that public health units (listed in Annex 2 of Ministerial Order No. 2567/2023) receive funding for collecting and monitoring monthly data in a pilot for the performance-based benefit system (see Article 2(1) of Ministerial Order No. 2567/2023). Then, the average of the indicators will be calculated and compared with a threshold. If the threshold has been surpassed the remuneration will be adapted (see Step I letters a)-e) of Annex 1.

**The set of indicators shall include indicators such as: the proportion of patients with adverse events, improvement in pain scale (Visual Analogue Scale score), hospital acquired infections rate, quality information available to patients.**

Adverse events indicators are covered through the Central line associated bloodstream infections (CLABSI) rate; Ventilator-associated events (VAE) rate; Incidence rate of patients' falls during hospitalization; Incidence rate of pressure ulcers acquired during hospitalization; Post-operative bleeding rate requiring surgical re-intervention; and the Surgical site infections (SSI) rate. The indicators are also listed in Annex 1, Table 1 of Ministerial Order No. 4201/2023.

The improvement in pain scale is covered through Question 3 of the patient experience questionnaire ("I benefited from effective pain relief") which is assessed through a Visual Analogue Scale for pain. The indicators are included in the patient experience questionnaire in Annex 2 of Ministerial Order No. 4201/2023.

The hospital acquired infections rate are covered through the Central line associated bloodstream infections (CLABSI) rate; Ventilator-associated events (VAE) rate; and the Surgical site infections (SSI) rate. The indicators are also listed in Annex 1, Table 1 of Ministerial Order No. 4201/2023.

The quality information available to patients is covered through the indicators resulting from questions 8-13 of the patient satisfactory survey from Annex 2 of Ministerial Order No. 4201/2023, which include questions on usefulness of information on treatment, processes, results, self-care and risks, as well as usefulness of the information provided by medical staff and nursing staff.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 358	<b>Related Measure:</b> Increased capacity for health management and human resources in health
<b>Name of the Milestone:</b> Development of human resources in health	

<b>Qualitative Indicator:</b> Adoption of the sectorial action plans for the development of human resources in health by order of the Minister of Health	<b>Time:</b> Q4 2022
--	----------------------

**Context:**

The objective of sub-reform 3.2, part of C.12.R3, 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 #358 requires the adoption of the sectorial action plans for the development of human resources in health.

Milestone #358 follows the completion of milestone #357, related to the entry into force of the legislation for the strategic framework for the development of human resources in health. It will be followed by milestone #359 on the setting up of a framework of differentiated recognition of professional merits and reward of health professionals, and targets #360 and #362 related to building and fully equipping two new skill development centres for public healthcare staff and on trainings on human resources management in health institutions, respectively. The sub-reform has a final expected date for implementation of 30 June 2025.

**Evidence provided:**

The following evidence was provided:

- i) Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii) Copy of Ministerial Order No. 661 of 6 March 2023 approving Sectorial Action Plans for the Development of Human Resources in Health 2023-2030, published in the Official Journal No. 190 on 7 March 2023, with the sectorial action plans for development human resources in health 2023-2030 as the annex of the Ministerial Order (hereinafter referred to “Ministerial Order No. 661/2023”);
- iii) 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 (hereinafter referred to “Government Decision No. 854/2022”);
- iv) Copy of Ministerial Order No. 2496 of 26 July 2023 amending the Annex to the Order of the Minister for Health No. 661/2023 approving Sectorial Action Plans for the Development of Human Resources in Health 2023-2030, published in the Official Journal No. 694 on 28 July 2023, with the sectorial action plans for development human resources in health 2023-2030 as the annex of the Ministerial Order (hereinafter referred to as “Ministerial Order No. 2496/2023”).

**Analysis:**

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

**Adoption of the sectorial action plans for the development of human resources in health by order of the Minister of Health.**

The Minister for Health approved the sectorial action plans for the development of human resources in health 2023-2030 through Ministerial Order No. 661/2023. The Ministerial Order was published in

the Official Journal No. 190 on 7 March 2023, and entered into force on the same date of its publication in the Official Journal, in line with Article 12 (3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. The Ministerial Order covers horizontal strategic objectives (HSO) and recommended actions, and sectoral strategic objectives (SSO) and recommended actions for primary, public and community healthcare as well as hospital and outpatient care. The detailed Sectoral Action Plans are included as an Annex which forms integral part of the Ministerial Order, as specified in Article 1 of the Ministerial Order. T Ministerial Order No. 2496/2023 amended the Sectoral Action Plans by refining strategies, reallocating resources, revising timelines, and adding measures to address current needs and ensure compliance with updated regulations.

**The sectorial action plans for the development of human resources in primary and community healthcare, ambulatory and hospital care and public health shall operationalise the strategic framework to transform the level of knowledge, skills and competences of the human resource in health.**

The strategic framework is lined out in the Multiannual Strategy for Human Resources Development in Health (Annex to Government Decision No. 854/2022, hereinafter referred to “the Strategy”) and connected to milestone 357, which has been positively assessed in the second payment request. It defined priorities and general objectives in the strategic areas of generating human resources in health, human resources management in health, management of motivation, and governance. The sectoral action plans operationalise items from the strategic areas and break them down into specific objectives (HSO/SSO) and actions. The plans add further specifications as regards the institutions responsible for implementation, the timeframes for actions and sources of funding.

For example, direction of action (DA) 6.2 of the Strategy aims at “improving human resources management in health through regulation, retention, evaluation and continuous development”. The horizontal part of the action plans operationalise this DA6.2 through concrete actions. Action 1 under HSO3.2 is to strengthen the capacity of the Ministry of Health in human resources planning and governance and improve recruitment and retention procedures by concrete proposals such as trainings on planning capacities and setting up an inter-ministerial working group and a technical working group including stakeholders to work on improving performance and quality indicators. Action 6 under HSO3.2 is to develop and implement repatriation mechanisms for Romanian medical staff and recruitment of medical staff from third countries by examining the incentives to repatriate family doctors and other specialised health professionals who have migrated abroad. DA6.3 of the Strategy, which aims at updating medical and pharmaceutical university education to European requirements through competence-based training. This has been further transposed into actions through Action 1 under the HSO3.3 in the action plans, which is to work with higher and post-secondary education institutions to update the academic education of health professionals and health professionals by encouraging competency-based training for medical staff in line with European standards or encouraging participation and increasing access to academic, research and medical practice mobility. Moreover, DA6.4 of the Strategy aims at improving the framework for continuing medical education and adequate post-graduate training for medical staff. This is made more concrete through Action 4 under HSO3.3 in the action plans, which sets out to achieve this aim through increasing the quality of residency programmes on admission, training, motivation, and management of resident doctors, through supporting, developing, and expanding residencies in post, or through stimulating practice for all specialities.

Chapter 3 of the Sectoral Action Plans describes the general strategic objectives and recommended actions applicable for all Sectoral Action Plans. In addition, chapter 4 contains subchapters, and each subchapter provides the strategic objectives and recommended actions for an individual sector. The

sectors covered are primary healthcare (chapter 4.1), community healthcare (chapter 4.5), outpatient care (chapter 4.4), hospital care (chapter 4.3) and public healthcare (chapter 4.2).

The respective action plans build up on and operationalise the strategic framework, adopted in June 2022. The legislation for the strategic framework is element of milestone 357 which has been positively assessed as part of the second payment request and consists of Government Decision No. 854/2022 and the Strategy in its annex. The framework contains the four elements (i) the sourcing of human resources in health, (ii) the management of human resources in health, (iii) the motivation management for human resources, and (iv) the health workforce governance.

The **sourcing of human resources in health** is covered in the horizontal chapter 3.3 of the Sectoral Action Plans, which provides an overview of the horizontal strategic objectives of improving the framework for education, research, skill-development and training in medical sectors. The included actions cover both quantitative and qualitative development of human resources in health. Action 1 requires that the academic education of health professionals should be in line with European requirements. Action 2 aims at improving the training of nurses and midwives to increase their skills. Action 3 requires the strengthening of the role of medical staff, teachers and medical education trainers, by further developing the partnership between the Ministry of Health and medical higher education institutions through the clinical integration of medical education teachers, taking into account international standards, skills training, among others. professional practice Actions 4 aims for an improvement of the framework for adequate postgraduate training for medical staff, for example by updating residency programs, promoting data exchange, aligning with European standards, supporting post-residency development, addressing medical staffing needs, and reviewing incentives and access to further specialization. Action 5 demands for the improvement of the framework for the provision of Continuous Health Education (EMC) and Continuous Professional Development (CPD) programmes, for example through evaluating current offerings, tailoring programs to specific needs, upgrading medical education for various healthcare staff, creating competence development centres, and reinforcing integrity refresher courses. The sectoral action plans in chapters 4.1, 4.2, 4.3 and 4.5, have each a sector-specific objective to improve recruitment and retention as well as one to align education with European requirements with a respective action on the development of policies for the retention of staff employed and for providing incentives for practising the profession in the county public health directorates.

The **management of human resources in health** is covered in the horizontal chapter 3.4. Action 1 aims at increasing the capacity for health service management and human resources management in health by enhancing the Centre of Excellence at the National Institute of Health Services Management and focusing on staff training for planning, retention, and professional development. Moreover, chapter 3.2 includes actions to enhance the planning and governance capacity and structures, such as stakeholder involvement, adoption of measures to increase the attractiveness of underserved specialties, providing incentives for practice in underserved areas, increasing the role of nurses and midwives, developing repatriation mechanisms for medical staff, strengthening research capacity, and promoting regional and international collaboration in policy development and implementation.

The **motivation management for human resources** is covered in the section on the improvement, recruitment and retention in the sectoral action plans in the chapters 4.1, 4.2, 4.3 and 4.5. For outpatient care (chapter 4.4), the sector-specific objective is to set the framework for the provision of effective outpatient care services. This includes, among other points, improving the working environment, both in urban and rural areas. This enhances the development of human resources in health, in particular of improving and acquiring knowledge, skills and competences of the related fields.

The **health workforce governance** is covered through different horizontal strategic objectives. The



improvement of data collection, analysis and reporting (horizontal strategic objective 1) includes actions to ensure health workforce planning, monitoring, retention and evaluation through actions as an analytical data mapping exercise and the improvement of coordination mechanisms, the development of a data collection framework and data sharing protocols, the implementation of the National Register of Health Professionals and training programmes on the register.

To improve the planning and governance capacity and structures of the human resources in healthcare, the actions of HSO2 foresee the strengthening the Ministry of Health's planning and governance, for example by actions which include setting up an inter-ministerial and a technical working group or trainings on planning capacities, involving key stakeholders, enhancing the appeal of underserved specialties, providing incentives to work in underserved areas, increasing the role of nurses and midwives, developing repatriation and international recruitment strategies, bolstering research and analytical capabilities, and promoting collaboration for policy development and implementation.

In conclusion, the sectorial action plans address different aspects as sourcing, management, motivation management and health workforce governance and thus, operationalise the strategic framework to transform the level of knowledge, skills and competences of the human resource in health through translating the strategic areas into specific objectives. The objectives contain specific actions for the different sectors of primary healthcare, community healthcare, outpatient care, hospital care and public healthcare. Therefore, the element of operationalisation is met.

**A number of 5 individualised action plans shall be developed, and the areas covered include initial training, continuous professional development, skill mix, task sharing, task shifting.**

In chapter 4, action plans for the five sectors are included: primary healthcare, community healthcare, outpatient care, hospital care and public healthcare. They cover the individual challenges the sectors face, among others, initial training, continuous professional development, skill mix, task sharing, task shifting. **Initial training** is covered through horizontal strategic objective 3 action 1 (HSO3.1), HSO3.2, HSO3.4, HSO4.2, sectoral strategic objective 1 action 1.3 (SSO1.1.3), and SSO1.2.1, SSO2.1.2, SSO3.1.4, SSO3.3.1 and SSO5.1.4. **Continuous professional development** is covered through HSO3.2, HSO3.5, HSO4.2, SSO1.2.1, SSO2.1.2, SSO4.1.4, and SSO5.1.1. **Skill mix** is covered through HSO3.3, SSO1.1.2, SSO1.1.4, SSO1.1.5, SSO2.1.1, SSO3.1.2, SSO3.1.3, SSO4.1.2, and SSO5.1.2. **Task sharing** is covered through SSO1.1.1, SSO1.1.2, SSO3.1.1, SSO3.2.1, and SSO4.1.3. **Task shifting** is covered through SSO4.1.1.

**The action plans are expected to be in line with the performance indicators established for the management of public health funds set out in Reform 1.**

The performance indicators are assessed in milestone 351, which is a milestone under Reform 1 – Increased capacity for the management of public health funds of Component 12 – Healthcare, and part of the third payment request. For the purpose of fulfilling milestone 351, two Ministerial Orders were adopted by the Romanian authorities, setting out the performance and quality indicators to be used for the selection of the medical units benefitting from the Health Quality Fund. The Ministerial Orders setting out the performance and quality indicators for the performance-based selection of healthcare providers under the Health Quality Fund under milestone 351. These indicators include process indicators, outcome indicators and patient-specific indicators. Collecting data for these indicators will help the different sectors to better analyse the concrete situation in healthcare institutions. Specifically, HSO3.1 of the action plans aim at the improvement of data collection, analysis and reporting and includes actions such as data mapping and the improvement of coordination mechanisms, the development of a data collection framework and data sharing

protocols, the implementation of the National Register of Health Professionals, and the training programmes for trainers, data providers and healthcare providers on that register. These actions are essential for tracking indicators related to the healthcare management. Moreover, the action plans aim to increase the performance of healthcare providers which is linked to the performance and quality indicators focusing on processes such as the percentage of patients undergoing surgery where the Surgical Safety Checklist was applied. Furthermore, the action plans aim to improve healthcare workforce planning (e.g. through HSO3.2), governance (e.g. through HSO3.2), and education (e.g. through HSO3.3), which are essential for ensuring that healthcare staff is well-trained, competent and motivated. HSO3.4 aims on improving the human resources management in health which supports increasing quality and safety measures, patient safety as well as effectiveness measurements tracked by the indicators. To conclude, the action plans under Milestone 358 are aligned with the performance indicators established for the management of public health funds, and support the aim of reform 1, which is to improve the quality and cost-effectiveness of health services.

**The medical staff covered includes doctors, nurses, pharmacists, dentists, midwives, and community nurses, and other categories of health professionals.**

The action plans follow an inclusive approach and are not limited to doctors and medical specialists. Instead, they apply to a broad range of staff in the medical sector including doctors, dentists, pharmacists, nurses and midwives as defined for example in Law 95/2006, Art. 653(1) a). In addition, Chapter 3.2 focuses on strengthening the role of midwives, while Chapter 4.5.1 treats the incentivisation, recruitment and retention of community nurses.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 378</b>	<b>Related Measure: Creating a new legal framework to prevent the separation of children from their families</b>	
<b>Name of the Milestone:</b> Entry into force of a legislative act necessary to prevent the separation of children from the family and support for vulnerable families		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of legislative act necessary to prevent the separation of children from the family and support for vulnerable families		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of reform C13.R1 is to prevent the separation of children from their families, especially in vulnerable families. Milestone #378 concerns the entry into force of a new legislative act, which should support avoiding separating the child from its family, while supporting families with a child at risk of separation.</p> <p>Milestone #378 is the first step of the implementation of the reform and it will be followed by target #379 related to reducing the number of children separated from the family and falling into the social protection system. The reform has a final expected date for implementation of 30 June 2026.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive</li> </ul>		

elements) was satisfactorily fulfilled.

- ii) Copy of the Law No. 156 of 30 May 2023 on organizing the activity for the prevention of separation of the child from the family, published in the Official Journal No. 484 on 31 May 2023, entered into force on 3 June 2023.
- iii) Copy of the Ministerial Order No. 25080 of 16 May 2024 for the approval of the Methodology for calculating the key performance indicators provided by Article 21(3) of the Law No. 156/2023 on organizing the activity for the prevention of separation of the child from the family and the procedure for the reduction in the share of funding of day centres, published in the Official Journal No. 503 on 30 May 2024, entered into force on 30 May 2024.

**Analysis:**

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

**Entry into force of a legislative act necessary to prevent the separation of children from the family and support for vulnerable families.**

Law No. 156 of 30 May 2023 on organizing the activity for the prevention of separation of the child from the family was published in the Official Journal No. 484 on 31 May 2023 (hereinafter referred to as “Law No. 156/2023”) and entered into force three days after its publication, in accordance with Article 12(1) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts.

The law regulates the activities for the prevention of separation of the child from the family by supporting the families raising and caring for children at risk of separation which are in a vulnerable situation from an economic, social, health or education point of view, as provided by Articles 1 and 5 of Law No. 156/2023. Article 7(1) and 7(2) also provides that a services plan is drawn up for the child and the family in a vulnerable situation which includes services dedicated to the needs of the child and to the needs of the family.

**The new law shall create a framework to implement measures (including for example counselling and support for parents and children, day centres for children at risk of separation from parents, day centres for children with disabilities) to effectively prevent the separation of the child from the family and supporting the family in raising and caring for the child at risk of separation.**

Articles 7(3), 7(4), 8(1) a), b), f) and 14(2) a) - g) of Law No. 156/2023 provide the framework of measures for the effective prevention of separation of the child from the family and for supporting the family in raising and caring for the child. The measures concern services dedicated to the needs of the child, as well as information, counselling and support for parents in the area of healthcare, education, employment, housing, legal issues, social protection. Also, services for developing parental abilities and for rehabilitation of children with disabilities are supported.

Article 14(2) i) of Law No. 156/2023 provides that the prevention of separation of children from the families is performed by the local public authorities from the area where the child lives, based on the identification of children at risk and vulnerable families, by setting up day centres for preventing the separation. This provision effectively prevents the separation because the services are provided in the communities where the targeted children and families live.

Moreover, the Ministry of Family, Youth and Equal Opportunities finances programs for empowerment/rehabilitation of children with disabilities at risk of separation from the family, as lined out in Article 22(2) b) of Law No. 156/2023.

**The legislative act shall entail:**

**- an identified stable source of funding for the measures**

The sources of funding for the activities for preventing the separation of the child from the family, including by supporting the vulnerable families are detailed in Chapter IV. The funded activities concern the rehabilitation of children with disabilities, psychological services for children at risk of separation, awarding emergency allowances for families with economic vulnerabilities and parental abilities trainings for families with children at risk of separation. More specifically, Article 21(1) of Law No. 156/2023 provides that the financing is ensured from the state budget, the budget of local authorities, as well as donations, sponsorships, and other legally constituted sources. Also, Article 21(2) provides that 50% of the financing of day centres for preventing the separation of the child from the family is ensured from the state budget. The source of funding for the measures is stable since the financing of social services is primarily ensured from the budget of the local authorities and from the state budget in line with the provisions of Law No. 292/2011 on social assistance.

**- a governance mechanism with clear responsibilities assigned for the public authorities at national and local level**

The institutions and services responsible for preventing the separation of children from the family, including by supporting the vulnerable families are described in Chapter II of Law No. 156/2023. Article 9 details the responsibilities of the Ministry of Family, Youth and Equal Opportunities as the central authority regulating the activity for prevention of separation of children from the family. The Ministry is also monitoring, evaluating and controlling the activities at national level and setting the strategic guidelines and objectives for preventing the separation. Article 10 provides that the General Directorates for Social Assistance and Child Protection at county level are responsible for the coordination and guidance of the activities for prevention of separation of children from the family. Article 14 describes the responsibilities of the Public Service for Social Assistance at commune, town and city level, which implements the prevention activities on the ground and sets up day centres for providing the prevention services. Thus, the governance mechanism sets clear responsibilities for the authorities at national, county and local level, by listing their respective attributions in the process.

**- a funding disbursement mechanism conditional on the achievement of key performance indicators associated to the policy objectives**

Article 21(3) of Law No. 156/2023 establishes the conditionality between the funding from the state budget of day centres for preventing the separation of children from the families, including through support for vulnerable families and the achievement of a set of key performance indicators. The key performance indicators are: the success rate in keeping the children in the family; the degree of participation of vulnerable families in programs and services for children at risk; the degree of satisfaction of vulnerable families benefitting from the activity of preventing the separation of the child from the family; the degree of community involvement in supporting vulnerable families. The degree of achievement of the respective indicators may lead to awarding the full allocated funding from the state budget, or to a progressive reduction in the share of funding for the services provided ranging from 5% to 25%. The methodology for calculating the key performance indicators and the reduction in the share of funding of day centres was established through Ministerial Order No. 25080/2024.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number:** 380

**Related Measure:** Reform of the protection system for adults with disabilities

**Name of the Milestone:** Entry into force of the law for the implementation and operationalisation of the Guide to Accelerating the Deinstitutionalisation Process

<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislative act	<b>Time:</b> Q4 2022
---	----------------------

**Context:**

The objective of reform C13.R2 is to advance the de-institutionalisation process for persons with disabilities and prevent their institutionalisation. Milestone #380 concerns the entry into force of the legislation for the implementation and operationalisation of the Guide to Accelerating the De-institutionalisation Process, which should support defining an “independent living pathway” for all persons with a disability currently institutionalised based on case management approach. Milestone #380 accompanied by milestone #381 in this payment request and related to the implementation of the strategy for the prevention of institutionalisation are the first steps in the implementation of the reform. They are followed by target #382 concerning persons with disabilities receiving personalised support to deinstitutionalise and target #383 aiming at the reduction of the total number of institutionalised persons with disabilities. The reform has a final expected date for implementation of 30 June 2026.

**Evidence provided:**

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 Government Decision and Annex to the Government Decision No. 1543 of 19 December 2022 approving the National Strategy on preventing institutionalisation and accelerating deinstitutionalisation of adults with disabilities for the period 2022-2030, published in the Official Journal No. 1249 and 1249bis on 23 December 2022 (hereinafter referred to as “the Strategy”).

**Analysis:**

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

**Entry into force of the law for the implementation and operationalisation of the Guide to Accelerating the De-institutionalisation Process, of all persons with a disability currently institutionalised so that an “independent living pathway” is defined for each person, and done based on case management approach.**

The Council Implementing Decision states that a law shall enter into force for the implementation and operationalisation of the Guide to Accelerating the De-institutionalisation Process. The Council Implementing Decision also states that the reform shall be implemented through the entry into force of a legislative act for the approval of the Guide to Accelerating the De-institutionalisation Process, and that the Guide to Accelerating the De-institutionalization Process will be an annex to the National Strategy, both of them being approved through a Government’s Decision. The Recovery and Resilience Plan (in page 23) provides for the entry into force of the necessary legislation for the approval of the National Strategy for preventing institutionalisation and accelerating deinstitutionalisation. The Strategy was adopted through the entry into force of Government Decision No. 1543/2022 and the Guide is an annex to the Strategy, being an integral part of it. Government Decision No. 1543 of 19 December 2022 approving the National Strategy on preventing institutionalisation and accelerating deinstitutionalisation of adults with disabilities for the period

2022-2030 was published in the Official Journal No. 1249 and 1249bis on 23 December 2022. It 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. In light of the purposive interpretation of this requirement from the Council Implementing Decision, this requirement is interpreted as providing for the entry into force of a Government Decision, as a piece of secondary legislation, instead of a law. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Based on the provisions in Part I, Chapter 1 of the Guide to Accelerating the De-institutionalization Process, it can be concluded that Government Decision No. 1543/2022 approving the Guide and the subsequent Order of the President of the National Authority for the Protection of the Rights of Persons with Disabilities No. 334/2024 approving the extended version of the Guide are sufficient to ensure its implementation and operationalization. These provisions stipulate that the Guide is used by the specialists coordinating the deinstitutionalisation process at national, county and residential center level. For this purpose, with respect to its implementation, the Guide describes the main stages of the deinstitutionalisation process and details the responsibilities of the actors involved. With respect to its operationalisation, the Guide sets out key terms and principles of deinstitutionalisation in Part I, Chapter 4, and it supports the development of specific working methodologies which include the key instruments for the professionals in the field: the deinstitutionalisation plan at residential center level and the individual plan for independent living and community integration. The Guide also explains the phases of preparation, implementation as well as the monitoring and evaluation of implementation of the deinstitutionalisation plan in Chapters 1, 2 and 3 of Part III.

Chapter 1 in Part I of the Guide also provides that the main purpose of the Guide is that each person with disabilities currently institutionalised would benefit from the best solution for an independent living in the community, according to his/her own aspirations, preferences and needs. Thus, all persons with a disability currently institutionalised are targeted by the provisions of the Guide. Chapter 1 of the strategy defines the concept of an “independent living pathway” as the necessary stages for an adult with disabilities to be able to live independently in the community, based on the assessment of his/her needs: preparedness, transitioning in the community, monitoring, constant evaluation of the status and the progress of the person. These stages are reflected in chapters 2.1, 2.3, 3.2, 3.3 of the Guide to accelerating the deinstitutionalisation process, which is included in Annex 2 of the Strategy. A case management department, referred to in section 1.3.2. of the Guide, is set up for recruiting the relevant specialists and for ensuring continuity of services for persons with disabilities transferred in the community. Measure 2.2.2. in the Action Plan of the Strategy provides for the drafting and implementation of individual plans for independent living and integration in the community for each person with a disability currently institutionalised.

**The guide to accelerating the de-institutionalization process will be an annex to the National Strategy, both of them being approved through a Government’s Decision.**

The guide to accelerating the deinstitutionalization process is included in Annex 2 to the National Strategy, pages 49-94. It has been approved by Government Decision No. 1543 of 19 December 2022, as an integral part of the Strategy, and entered into force on the date of its publication in the Official Journal, on 23 December 2022.

**The legislative act shall equally entail:**

**- an identified stable source of funding for the measures planned in the guideline**

Chapter XI of the Strategy provides that the main sources of funding for the measures are the state budget and external non-reimbursable funds, while the Action Plan details the funding sources for each measure, including the main measures planned in the Guide.

In particular, measure 1.1.5. under the Specific Objective 1.1. in the Action Plan describes in detail the sustainable financing mechanism for the process of deinstitutionalisation and prevention of institutionalisation. Most of the measures in the Strategy are also supported with funds from the state budget and the budgets of the local authorities, which ensures a stable source of funding.

The source of funding for the measures is stable since the financing of social services is primarily ensured from the budget of the local authorities and from the state budget in line with the provisions of Law No. 292/2011 on social assistance.

**- a governance mechanism with clear responsibilities assigned for the public authorities at national and local level**

The governance mechanism for the coordination of the process of deinstitutionalisation and prevention of institutionalisation at national, county, and local level is detailed in measure 1.1.1. of the Action Plan. The main responsible bodies involved are: the National Committee for accelerating the process of deinstitutionalisation and preventing the institutionalisation of disabled persons; an independent Civil Society Advisory Group on deinstitutionalisation and community integration, which supports the activity of the National Committee; the National Authority for the Protection of the Rights of Persons with Disabilities for methodological coordination of the process; Committees for accelerating the process of deinstitutionalisation and prevention of institutionalisation at the level of each county/sector of the Bucharest municipality; General Directorates for Social Assistance and Child Protection providing continuous operational support to residential centres for the implementation and monitoring of the deinstitutionalisation process.

Also, Part II of the Guide describes the governance mechanism for the deinstitutionalisation process at national and county level, including the set-up of management teams at residential centre level. These teams are appointed by the General Directorates for Social Assistance and Child Protection and are responsible for the development and implementation of the individual deinstitutionalisation plans for the disabled adults residing in the centres. The detailed responsibilities of the coordinating structures for the deinstitutionalisation process at national, county and residential centre level are included in the Order No. 334/2024 for the approval of the extended version of the Guide which contains the work instruments for accelerating deinstitutionalisation.

**- a funding disbursement mechanism conditional on the achievement of key performance indicators associated to the policy objectives**

The key performance indicators and the associated targets are defined in chapter VIII of the Strategy. They concern: supporting at least 8455 persons with disabilities in residential care for deinstitutionalisation by 30 June 2026, representing 50% of the number of institutionalised persons recorded in December 2020; the reduction in the number of people with disabilities in residential care to 11500 by 30 June 2026; a second reduction in the number of people with disabilities in residential care to 10349 by 31 December 2030; the constant support of the local authorities for the deinstitutionalisation process starting with 2024. The key performance indicators are associated to the main policy objective of the Guide, that each person with disabilities currently institutionalised would benefit from the best solution for an independent living in the community according to their needs. This policy objective is mentioned in Part I, Chapter 1 of the Guide.

The conditionality between the funding mechanism and the achievement of the key performance indicators is established by measure 1.1.5. letters b) and c) in the Action Plan. The measure provides for the proportionate reduction of the financing allocated to residential centres from the state budget and using the funds for the development and operation of community services. This

reduction is linked to the decrease in the number of institutionalised persons with disabilities from 16911 recorded on 31 December 2020 to 11500 on 30 June 2026. Through this conditionality, 32% of the funding previously dedicated to residential care will be allocated to community care services for adults with disabilities by mid 2026.

**The legislative act shall be based on a full mapping of the individual situation of all persons with a disability and currently institutionalized in Romania. Furthermore, in line with the description of the measure, the legislative act shall be also based on a full mapping (...) with the objective to define an “independent living pathway” for each person, done in compliance with the case management principles by an independent authority/entity.**

The Council Implementing Decision states that the legislative act shall be based on a full mapping of the individual situation of all persons with a disability and currently institutionalized in Romania. The Council Implementing Decision also states, in the name of the reform, that this reform concerns the protection system for adults with disabilities. The Romanian Recovery and Resilience Plan also provides (in page 20) that the reform concerns the protection system of adults with disabilities. In light of the purposive interpretation of this requirement from the Council Implementing Decision, this requirement is interpreted as targeting all adults with a disability and currently institutionalised in Romania. The Strategy is based on information from the full mapping of the individual situation of all adults with disabilities currently institutionalised in Romania, as specified in chapters I, II and IV of the Strategy. The mapping was performed at national level in 2022 with the support of the World Bank and the contribution of central, county and local level authorities. Through this process, data was collected for more than 16 000 adults with disabilities which were institutionalised at the time in public residential services. The data was used to inform decisions to be taken at county and local level, to support case managers and additional personnel in preparing the individual deinstitutionalisation plans and to monitor the progress of the deinstitutionalisation process, as explained in section 3.1., chapter III of the Guide. The individual deinstitutionalisation plans are based on the stages of the “independent living pathway” defined in Chapter I of the Strategy for enabling the adults with disabilities to live independently in the community – preparedness, transitioning/transferring in the community, monitoring and evaluation of the status of the person. This is done by independent case managers, based on the assessment of the person’s needs, thus in compliance with the case management principles, as case management is a working method based on the person-centred approach. The case managers belong to services that are independent from the residential service providers and they are not employees of the residential centers, as specified in page 70 of the Guide. A detailed analysis of the adults is included, concerning their educational and socio-economic status, as well as autonomy level and medical needs, with a view to identifying appropriate support, assistance services and relevant types of activities.

The mapping report can be accessed at the following link: [Report-with-updated-mapping-of-the-situation-of-all-persons-with-disabilities-living-in-residen.pdf \(gov.ro\)](#). On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 381	<b>Related Measure:</b> Reform of the protection system for adults with disabilities	
<b>Name of the Milestone:</b> Entry into force of the law to support the implementation of the adopted national strategy for the prevention of institutionalisation		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislative act for supporting the implementation of the adopted national strategy for the prevention of institutionalisation		<b>Time:</b> Q4 2022
<b>Context:</b>		



The objective of reform C13.R2 is to advance the de-institutionalisation process for persons with disabilities and prevent their institutionalisation. Milestone #381 concerns the entry into force of a law that should support implementing the respective national Strategy. The milestone is the second step in the implementation of this reform. It is preceded by milestone #380 aiming to accelerate the de-institutionalisation process, and it will be followed by target #382 measuring the impact of the legislation on the number of institutionalised persons with disabilities receiving personalised support to de-institutionalise and implement their “independent living pathway” and by target #383 measuring the reduction in the total number of institutionalised persons with disabilities. The reform has a final expected date for implementation of 30 June 2026.

**Evidence provided:**

The following evidence was provided:

- i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii) Copy of Law No. 7 of 4 January 2023 on supporting the process of deinstitutionalisation of adults with disabilities and implementing measures to accelerate it and prevent institutionalisation, and amending and supplementing certain legislative acts, published in the Official Journal No. 19 on 6 January 2023, entered into force on 9 January 2023.
- iii) Copy of Government Decision and Annex to the Government Decision No. 1543 of 19 December 2022 approving the National Strategy on preventing institutionalisation and accelerating deinstitutionalisation of adults with disabilities for the period 2022-2030, published in the Official Journal No. 1249 and 1249bis on 23 December 2022, entered into force on 23 December 2022.
- iv) Copy of Order of the President of the National Authority for the Protection of the Rights of Persons with Disabilities No. 358 of 10 April 2023 for the approval of the financing methodology of residential social services foreseen in Article 51(3) of Law No. 448/2006 on the protection and promotion of rights of persons with disabilities, published in the Official Journal No. 329 on 19 April 2023, entered into force on 19 April 2023.

**Analysis:**

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

**Entry into force of the law to support the implementation of the adopted National Strategy for Preventing Institutionalisation that provides measures for an “independent living pathway” for the majority of persons with a disability and currently institutionalised.**

Law No. 7/2023 on supporting the process of deinstitutionalisation of adults with disabilities and implementing measures to accelerate it and prevent institutionalisation and amending and supplementing certain legislative acts (hereinafter referred to as “the Law”) was published in the Official Journal No. 19 on 6 January 2023. It entered into force three days later, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. Article 1(1) of the Law stipulates that it regulates the general framework for the reform in the system of adults with disabilities for reaching the indicators set in the relevant national strategies, thus targeting the National Strategy on preventing institutionalisation and accelerating deinstitutionalisation of adults with disabilities for the period 2022-2030 approved by Government Decision No. 1543/2022. The measures in the Strategy support an independent living for the majority of institutionalised people with disabilities by establishing a sound coordination process for

deinstitutionalisation at national and county level, through ensuring a person-centred approach for the transition to independent living and community integration and developing community services for the independent living of adults with disabilities.

Preventing institutionalisation and deinstitutionalisation is defined in Chapter 4 of Annex 2 of the Strategy as the process of ensuring support for persons with disabilities for an independent living in the community to eliminate the need for institutionalised care.

Article 25(1) of the Law provides that adults with disabilities benefit from social services in complementarity with educational, cultural, health or employment services in order to eliminate the risks of institutionalisation or re-institutionalisation. For the same reason, Article 26(1) stipulates that adults with disabilities living in families or independently can benefit from the support of an informal carer.

Other measures supporting the independent living of persons with disabilities are regulated by: Article 33 point 2 providing the annual right to vouchers for medical recovery or rehabilitation; Article 33 point 3 on the right to a dwelling within the network for inclusive housing, the right to housing benefits or transition benefits for persons leaving the residential centres and being integrated in the community; Article 33 point 4 giving the right to free public transport or vouchers for using own means of transport; Article 33 point 6 providing the right to credits with subsidized interest for purchasing accessibility and assistive technologies; Article 33 point 7 providing the right to a professional personal assistant for adults with disabilities with no income or with an income up to the average salary; Article 33 point 15 providing the right to labour preparedness and training, personal development or improving competencies within protected workshops to develop the work potential of persons with disabilities; and Article 33 point 18 providing the right to an insertion allowance for labour preparedness programs.

**The legislative act shall entail:**

**- an identified stable source of funding for the measures planned**

Chapter V of the Law sets out the funding mechanism for the measures foreseen in the process of deinstitutionalisation and prevention of institutionalisation of persons with disabilities.

Article 33 point 12 provides that the financing of protection measures is ensured by the state budget, through the budget of the general directorates for social assistance and child protection or through the budget of public local authorities at the level of municipalities, towns or communes, from amounts deducted from VAT, allocated for this purpose, at a maximum level of 90% of the necessary amounts established annually by the Ministry of Labour and Social Solidarity, based on cost standards calculated for beneficiaries/types of social services.

Article 33 point 13 stipulates that until 1 January 2026 the financing of protection measures through professional personal assistants is ensured through the budget of the county where the assistants live and after 1 January 2026, the financing of these measures is ensured by the state budget, through the budget of the general directorates for social assistance and child protection or through the budget of public local authorities at the level of municipalities, towns or communes, from amounts deducted from VAT, allocated for this purpose, at a maximum level of 90% of the necessary amounts established annually by the Ministry of Labour and Social Solidarity, based on cost standards calculated for beneficiaries/types of social services.

Moreover, Article 33 point 14 states that for the purpose of providing innovative types of activities for persons with disabilities, accredited social services providers can set up, administer and finance pilot-centres for a limited period of three years.

The source of funding for the measures is stable since the financing of social services is primarily ensured from the budget of the local authorities and from the state budget in line with the provisions of Law No. 292/2011 on social assistance.

**- a governance mechanism with clear responsibilities assigned for the public authorities at**

### **national and local level**

The governance mechanism for the protection of adults with disabilities is lined out in Chapter IV of the Law, delineating the responsibilities for public authorities at both national and local levels.

According to Article 18 of the Law, the National Authority for the Protection of the Rights of Persons with Disabilities (hereinafter referred to as “the Authority”) is responsible for regulating the activity of deinstitutionalisation and prevention of institutionalisation of adults with disabilities, coordinating the activity of public and private entities involved in the process, monitoring, evaluating and controlling the relevant activities and operationalising the concept of independent life for persons with disabilities. The Authority is supported in its activities by the National Committee for the acceleration of deinstitutionalisation and prevention of institutionalisation, and by the Independent Civil Society Advisory Group, mentioned in Article 14(1) of the Law.

The responsibility for deinstitutionalisation and preventing the institutionalisation of adults with disabilities at local level lies with the general directorates for social assistance and child protection at county level which coordinate the activity of public services for social assistance at municipalities, towns and communes’ level, as provided by Article 20(1) of the Law. These bodies are also supported in their activity by the Committee for the acceleration of deinstitutionalisation and prevention of institutionalisation at county level, mentioned in Article 15(1) of the Law.

As specified in Article 17 of the Law, also other public institutions contribute to the process of deinstitutionalisation and preventing the institutionalisation: the Ministry of Labour and Social Solidarity regulates the updated cost standards on social services for adults with disabilities; the National Agency for Payments and Social Inspection controls how the legal provisions on establishing, granting and promoting the rights of adults with disabilities transiting from residential services to life in the community is respected; the National Agency for Employment aims at increasing the chances of employment and social inclusion of persons with disabilities looking for a job, by providing relevant services and active labour market measures; the Council which monitors the implementation of the Convention on the rights of persons with disabilities.

### **- a funding disbursement mechanism conditional on the achievement of key performance indicators associated to the policy objectives**

Article 23(3) of the Law provides that the funding from the state budget of residential social services foreseen in Article 51(3) of Law No. 448/2006 on the protection and promotion of rights of persons with disabilities is conditional on the achievement of the key performance indicators provided in Article 8 of the Law, based on a methodology approved by Order of the President of the National Authority for the Protection of the Rights of Persons with Disabilities, within 60 days from the entry into force of the Law.

The key performance indicators for the deinstitutionalisation process and preventing the institutionalisation described in Article 8 of the Law are: the 32% reduction at national level in the number of institutionalised adults with disabilities out of the total number of assisted persons in the residential system at the end of 2020, by 30 June 2026; the 10% reduction at national level, during the period between 1 July 2026 and 31 December 2030, in the number of institutionalised adults with disabilities out of the total number of assisted persons in the residential system on 30 June 2026.

The financing methodology of residential social services foreseen in Article 51(3) of Law No. 448/2006 on the protection and promotion of rights of persons with disabilities was approved by Order of the President of the National Authority for the Protection of the Rights of Persons with Disabilities No. 358 of 10 April 2023. Article 4(1) of the methodology provides that for achieving the key performance indicators, starting with 1 January 2024, the funding of services in public residential centres with a capacity of more than 50 places where the restructuring plans have not been implemented is ensured only from the budget of the county. Articles 5(1) and 5(4) of the same methodology state that as of 1 July 2026 until 31 December 2030, the funding of services in residential centres is ensured from the state budget based on the achievement of key performance

indicators and if the 32% of deinstitutionalised beneficiaries is only partially achieved, the funding for the beneficiaries exceeding the indicator is ensured by the local authorities. Also, Article 5(5) stipulates that as of 1 January 2028 until 31 December 2030, if the 32% of deinstitutionalised beneficiaries is partially achieved, a further 10% annual reduction of the funding from the state budget applies and the costs for the existing beneficiaries must be covered by the local public authorities.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 384</b>	<b>Related Measure: Implementation of the Minimum Inclusion Income (VMI)</b>	
<b>Name of the Milestone:</b> Entry into force of the legislation approving the implementing rules for the application of VMI		
<b>Qualitative Indicator:</b> Provision in the legislation indicating the implementing rules for the application of VMI		<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>The objective of reform C13.R3 is to improve social assistance and reduce poverty for the most vulnerable, while reducing the administrative burden for providers and beneficiaries. Milestone #384 concerns the adoption of legislation to implement the rules for the minimum inclusion income (VMI). The milestone is the first step in the implementation of this reform and will be followed by target #385 measuring the impact of the new legislation through the number of additional eligible family recipients of the improved scheme and by target #386 measuring the share of recipients of the VMI who receive at least one activation measure. Moreover, target #170 on the implementation of digital services in the field of employment and social protection from the digital transformation component is directly connected to this reform.</p> <p>Following the completion of this milestone, in line with the description of the measure in the Council Implementing Decision, Romania will develop and operationalise the digital platform to support the implementation of the minimum inclusion income reform. This is a further step that is not linked to the milestones and targets of this reform, but it is required by target 170 under investment 6 “Digitalisation in employment and social protection” in the Council Implementing Decision, and the authorities should take the necessary actions to this end.</p> <p>The reform has a final expected date for implementation of 30 June 2025.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii) Copy of Government Emergency Ordinance No. 114 of 26 August 2022 for the amendment and extension of Law No. 196/2016 regarding the minimum inclusion income, published in the Official Journal No. 844 on 29 August 2022, entered into force on 29 August 2022.</li> <li>iii) Copy of Government Decision No. 1154 of 16 September 2022 approving the implementing rules for the application of the provisions of Law No. 196/2016 on the minimum inclusion income, published in the Official Journal No. 937 on 26 September 2022, entered into force on 1 January 2024.</li> <li>iv) Copy of Law No. 56 of 3 March 2023 for the application of Government Emergency Ordinance No. 114/2022 for the amendment and extension of Law No. 196/2016 regarding</li> </ul>		

the minimum inclusion income, published in the Official Journal No. 188 on 6 March 2023, entered into force on 9 March 2023.

- v) Copy of Government Decision No. 507 of 24 May 2023 for the amendment and extension of Government Decision No. 1154/2022 approving the implementing rules for the application of the provisions of Law No. 196/2016 on the minimum inclusion income, published in the Official Journal No. 462 on 26 May 2023, entered into force on 26 May 2023.

**Analysis:**

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

**Entry into force of the legislation approving the implementing rules for the application of VMI**

Government Decision No. 1154/2022 approving the implementing rules for the application of the provisions of Law No. 196/2016 on the minimum inclusion income was published in the Official Journal No. 937 on 26 September 2022 and entered into force on 1 January 2024, a later date provided in the text of the normative act, according to Article 12(3) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts.

**The legislation shall set out the methodological rules for implementing the law on VMI while maintaining at least the same level of adequacy for the benefits and eligibility conditions as foreseen in the current law (Law 196/2016) with the aim to reduce poverty, stimulate employment through activation measures and increased education attainment.**

Government Decision No. 1154 of 16 September 2022 approving the implementing rules for the application of the provisions of Law No. 196/2016 on the minimum inclusion income (VMI) lines out detailed provisions establishing the eligibility conditions for beneficiaries in Article 1 and Article 6(2), the amounts of the social benefits in Article 12(1) and Article 19(1), the administrative requirements and procedures for the entitlement, awarding and payment of benefits in Articles 34 – 47, the cases of suspension and termination of rights in Articles 48 – 51, as well as other complementary rights for beneficiaries in Articles 52 – 63. These provisions constitute the main elements of the methodological rules for the implementation of Law No. 196/2016 on VMI.

The same level of adequacy for the benefits as foreseen in Law No. 196/2016 is maintained through the correspondence in the provisions of Article 12(1) of Government Decision No. 1154/2022 and Article 15(1) of Law No. 196/2016, both setting the same level for the inclusion benefit, the first component of the VMI. The amount of the benefit for families with children, the second component of the VMI, is regulated by Article 19(1) of Government Decision No. 1154/2022 which stipulates that this amount is the one set by Article 18(2) of Law 196/2016, ensuring the correspondence of provisions also in this case.

The same eligibility conditions as foreseen in Law No. 196/2016 are ensured by the correspondence in the provisions of Article 1 and Article 6(2) of Government Decision No. 1154/2022 and Articles 7(1), 7(3) and 9(3) of Law No. 196/2016, setting the same eligibility conditions for the beneficiaries.

The aim to reduce poverty through the implementation of the VMI legislation is maintained since the minimum inclusion income is to be provided to persons and families whose income level is below certain thresholds, thereby ensuring a minimum standard of living as set out in Article 3(1) of Law 196/2016. Activation measures and increased education attainment aims to support employment. In order to be counted as family members when establishing the right to the VMI, the persons who are able to work but have no income must be registered with the Public Employment Services and must not refuse a job, as provided by Article 13(1) of Law No. 196/2016. They benefit from training and reskilling services as well as measures for stimulating employment free of charge in line with Article 27<sup>3</sup> of Law No. 196/2016. Beneficiaries who are able to work but have a level of

school education and knowledge below the one provided by the National Framework of Qualifications, must follow the “Second chance” educational program to facilitate their employment and training, according to Article 27<sup>11</sup>(1) of Law No. 196/2016. In case they refuse to follow this educational program, their right to receive the inclusion benefit is terminated, as stipulated by Article 27<sup>11</sup>(4) of Law No. 196/2016.

**Furthermore, in line with the description of the measure, the payment of minimum inclusion income shall be financed by the Romanian state budget.**

The amounts for the minimum inclusion income and the complementary social assistance measures granted to persons and families are paid from the state budget and, if the case may be, from local budgets, as stipulated by Article 3(4) of Law No. 196/2016.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 410</b>	<b>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</b>	
<b>Name of the Milestone:</b> Entry into force of guidelines for appropriate use and enforcement of the Single Register of Interest Transparency (RUTI)		
Qualitative indicator: Provision in the guidelines indicating the entry into force of the guidelines for the use and enforcement of RUTI		<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>Milestone #410 is part of reform C14.R1, which aims at (i) streamlining and improving central government policy planning, (ii) enhancing the transparency and predictability of the legislative process and (iii) improving the consultation process of legislative proposals.</p> <p>Milestone #410 consists of the entry into force of guidelines for appropriate use and enforcement of the Single Register of Interest Transparency (RUTI). This register created in 2016 lists meetings of (government) decision-makers with third parties, and also serves as a voluntary register for interest groups.</p> <p>Milestone #410 is the first step of the implementation of C14.R1 towards enhancing the transparency and predictability of the legislative process and improving the consultation process of legislative proposals. It is accompanied by two other milestones in this payment request, namely milestone #411 specifying when Government Emergency Ordinances may be used, how to assess their impact, as well as the associated procedures for their preparation and approval, and milestone #412 ensuring publication of the full text of a law after amendments.</p> <p>Reform C14.R1 has an expected date for full implementation in Q2 2026.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ul style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> </ul>		

ii. Copy of the Order of the Secretary General of the Government No. 1056/28 September 2022, **on minimum transparency rules regarding the recommended collaboration framework among decision-makers at central and local government level and civil society stakeholders to promote public policy initiatives** published in the Official Journal, Part I, No. 948 on 28 September 2022;

iii. Copy of the Memorandum on the Establishment of the Single Register of Transparency of Interests, issued by the Romanian Government on 23 September 2016

**Analysis:**

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

**Entry into force of guidelines for appropriate use and enforcement of the Single Register of Interest Transparency (RUTI). *The guidelines and associated procedures shall properly implement the public register created by the Government in 2016 that lists meetings of (government) decision-makers with interest representatives, and also serves as a voluntary register for interest groups.***

The Order of the Secretary General of the Government No. 1056/28 September 2022 **on minimum transparency rules regarding the recommended collaboration framework among decision-makers at central and local government level and civil society stakeholders to promote public policy initiatives (hereinafter referred to as “the Order”)** was published in the Official Journal No. 948 on 28 September 2022 and entered into force on the date of its publication in the Official Journal, according to the provisions of Article 12(3) of Law No. 24/2000 on the rules of legislative technique for drafting normative acts.

As explained in the summary document, RUTI was initially established and operationalized by the Memorandum on the Establishment of the Single Register of Transparency of Interests, issued by the Romanian Government on 23 September 2016. The Order establishes guidelines and procedures for RUTI, in particular:

**Article 1 of the Order specifies its scope, which is to set the *minimum rules for transparency in the cooperation between decision-makers and civil society stakeholders, for the promotion of public policy initiatives.***

**The Order establishes in Article 3 that the General Secretariat of the Government ensures the *technical secretariat of RUTI (ST RUTI) by providing technical assistance, managing the flow of documents, and handling the requests from applicants and users.***

**Article 4 of the Order defines the process for decision-makers to apply for registration in RUTI, using a standardized form to improve the registration management flow.**

**The registration of stakeholders in RUTI is regulated in Article 5 of the Order. Article 5(2) outlines the *voluntary registration process for interest groups and adherence to a Code of Conduct for transparent, ethical, and responsible conduct in their interactions with decision-makers. An electronic form is introduced for simplified registration of interest groups in RUTI through Article 5(3) and a guide outlining the steps for interest group registration, facilitating civil society participation, is regulated by Article 5(4).***

**Article 6(1) of the Order requires each decision-maker to appoint an account manager for better management of the activity related to the publishing of meetings. The decision-maker has to publish meetings in RUTI at least 48 hours before their date (including specific information such as participating interest groups, representatives, date, place, decision-**

*makers, and subject/theme of the meeting), thus providing full information on the meetings in due time, as specified in Article 6(2). For enhanced transparency, decision-makers must also mention the meetings with interest groups not registered in RUTI as provided by Article 6(4).*

*The Order specifies in Article 7 the access conditions for decision-makers' accounts in RUTI and the process for inactivating accounts when officials no longer hold a public function. It places responsibility on applicants and users for the accuracy of information in RUTI and allows users to request modifications or updates based on the provisions of Article 8.*

*The Order introduces through Article 8(3) a procedure for reporting on Code of Conduct violations by interest groups to ST RUTI, thus allowing for checks and balances.*

*In Article 9, the Order mandates the Secretariat-General of the Government to prepare and publish an annual report on the operation of the register, containing statistical data.*

*The Order outlines in Article 10 that central and local authorities must publish on their respective websites a redirection link to increase public access to meetings on the RUTI platform.*

The guidelines and associated procedures, established by the Order, effectively implement the public register by providing comprehensive rules for transparency, structured registration processes, and mandatory publication of meetings, thus ensuring full compliance with the 2016 RUTI framework and promoting accountable interaction between decision-makers and interest groups.

**Commission Preliminary Assessment:** Satisfactorily fulfilled



<b>Number: 411</b>	<b>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</b>	
<b>Name of the Milestone:</b> Entry into force of the Methodology for the use of Emergency Ordinances		
<b>Qualitative indicator:</b> Provision in the Government Decision indicating entry into force of the methodology for the use of Emergency Ordinances		<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>Milestone #411 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.</p> <p>Milestone #411 consists of the entry into force of the Government Decision outlining the conditions, assessment methods (both ex post and ex ante), preparation procedures, and the roles of the General Secretariat of the Government and Ministry of Justice in overseeing the use of Emergency Ordinances.</p> <p>Milestone #411 is the second step of the implementation of C14.R1 towards enhancing the transparency and predictability of the legislative process and improving the consultation process of legislative proposals. It is accompanied by milestone #410 ensuring entry into force of the guidelines for appropriate use and enforcement of the Single Register of Interest Transparency (RUTI) in this payment request. It will be followed by milestone #412 ensuring publication of the full text of a law after amendments.</p> <p>Reform C14.R1 has an expected date for full implementation in Q2 2026.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ul style="list-style-type: none"> <li>iv. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>v. Copy of the Government Decision No.1173/22 September 2022 for the completion of the Regulation on the procedures, at the Government level, for the elaboration, approval and presentation of draft public policy documents, draft normative acts as well as other documents, with a view to adoption/approval, approved by Government Decision No.561/2009, containing a new Annex 6 <i>“The methodology on good practices for the development and substantiation of the Government emergency ordinance projects as a regulatory instrument”</i>, published in the Official Journal No. 932 on 22 September 2022.</li> </ul>		
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.</p> <p><b>Entry into force of the Methodology for the use of Emergency Ordinances</b></p> <p>The Government Decision No. 1173/22 September 2022 for the completion of the Regulation on the procedures, at the Government level, for the elaboration, approval and presentation of draft public</p>		

policy documents, draft normative acts as well as other documents, with a view to adoption/approval, approved by Government Decision No. 561/2009, containing a new Annex 6 “The Methodology on good practices for the development and substantiation of the Government emergency ordinance projects as a regulatory instrument” (hereinafter referred to as “the Methodology”) was published in the Official Journal on 22 September 2022 and entered into force on the date of its publication in the Official Journal, according to the provisions of Article 12(3) of Law No. 24/2000 on the rules of legislative technique for drafting normative acts.

**The Government Decision on the Methodology for the use of Emergency Ordinances shall specify the circumstances under which these ordonnances may be used**

*The Government Decision No. 1173/22 September 2022 includes as annex the Methodology for the use of Emergency Ordinances. Chapter I of the Methodology outlines when emergency ordinances may be used. The introductory section “Delegated legislation” provides that emergency ordinances are inferred from constitutional rules to address urgent measures in extraordinary situations. Taking into account Constitutional Court rulings, the Methodology establishes the criteria for the issuance of emergency ordinances, including the existence of an extraordinary situation, the regulation of which cannot be postponed, and the justification of the urgency. Emergency ordinances are justified only when there is evidence of an unforeseen situation, which requires urgent regulation.*

*The circumstances under which these ordinances may be used are subject to a checks and balances procedure outlined in Chapter II of the Methodology. Chapter II explains the roles and responsibilities of all decision-making bodies (General Secretariat of the Government, Ministry of Justice, Advisory Council, and Legislative Council) in the process of assessing the appropriateness of issuing emergency ordinances. Draft emergency ordinances are included in the Government's agenda only if all opinions of the above mentioned decision-making bodies are obtained and meet the specified requirements.*

**The Government Decision on the Methodology for the use of Emergency Ordinances shall specify how their impact shall be assessed (ex post, ex ante)**

*Chapter III of the Methodology provides how the impact assessments for draft emergency ordinances must be carried out. It distinguishes between mandatory ex-ante and ex-post impact assessments.*

*Moreover, Chapter III establishes that an ex-ante impact assessment requires identifying and analyzing economic, social, environmental, legislative, and budgetary effects and must be done before adopting an emergency ordinance. Public consultation is set as a fundamental component of the ex-ante impact assessment, reflecting transparency and stakeholder participation. Chapter III also establishes the Advisory Board for the Impact Assessment of Regulatory Acts and tasked it with assessing if the ex-ante impact assessment complies with required standards.*

*Furthermore, the Advisory Board must ensure a description of the problem addressed by the emergency ordinance and provide technical recommendations to improve evidence-based regulatory acts. In urgent situations, a simplified version of the impact analysis may be accepted initially, with a requirement for a full analysis within 45 days after the emergency ordinance's adoption.*

**Chapter III also specifies the content of an ex-post impact assessment and the respective roles and responsibilities of the authorities involved in such an assessment:**

- **Ministries are responsible for coordinating and monitoring the application of the emergency ordinances;**
- **The General Secretariat of the Government (SGG) contributes to the interinstitutional coordination of the evaluation process, including the submission of ex-post impact assessment reports to the government annually and the publication of these reports on the SGG's website;**
- **The Ombudsman and Parliament will scrutinize the legality of the emergency ordinances;**
- **The Constitutional Court is ruling over the constitutionality of the Emergency Ordinances if they are challenged. The Government Decision outlines the specific jurisdiction of the Constitutional Court regarding the constitutional review of the Emergency Ordinances and the effects of declaring an Emergency Ordinance unconstitutional.**

**The Government Decision on the Methodology for the use of Emergency Ordinances shall specify the associated procedures for their preparation**

**Chapter II of the Methodology describes the roles of different public authorities in the initiation and approval of Emergency Ordinances. It provides that draft Emergency Ordinances are approved by the General Secretariat of the Government through the Department for Relations with the Parliament. The General Secretariat of the Government has to evaluate the appropriateness of issuing Emergency Ordinances, ensuring a detailed statement of reasons for the extraordinary situation and the urgency of the regulation. If the General Secretariat of the Government consents, it has to issue an opportunity visa for the adoption of an Emergency Ordinance, which is valid for 20 calendar days from its issuing date. If the General Secretariat of the Government dissents, the draft Emergency Ordinance may be redrafted in the form of a draft law and promoted following standard legislative procedures.**

**The Methodology further outlines in Chapter II the procedures for the interinstitutional endorsement process of an Emergency Ordinance, which specific roles for the Advisory Council, the Ministry of Justice and the Legislative Council. If the interinstitutional endorsement process results in substantial amendments, a new draft Emergency Ordinance has to be submitted for an opinion of the above-mentioned authorities. The decision of the General Secretariat of the Government to include or not an Emergency Ordinance on the agenda of a government meeting is based on the opinions of the above mentioned three authorities.**

**According to Chapter II of the Methodology, the Government ultimately decides if to promote an Emergency Ordinance, considering the arguments of initiators and opinions from involved institutions.**

**The Government Decision on the Methodology for the use of Emergency Ordinances shall specify the role of General Secretariat of the Government and Ministry of Justice for ensuring gatekeeping and overall quality control.**

**Chapter II of the Methodology defines the roles of the** General Secretariat of the Government and the Ministry of Justice for ensuring gatekeeping and overall quality control as follows:

**The General Secretariat of the Government evaluates if an Emergency Ordinance is required, considering the urgency, necessity, and adherence to constitutional requirements. It also checks compliance with substantive and formal requirements, as outlined in the procedure.**

**The Ministry of Justice being part of the above-mentioned interinstitutional endorsement process, evaluates constitutionality, legality of, and legislative technique used for the draft Emergency Ordinance. It then issues a legality opinion, which can be favourable, favourable with comments, or negative.**

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<p><b>Number: 412</b></p>	<p><b>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</b></p>	
<p><b>Name of the Milestone:</b> Entry into force of the legislative amendments to ensure publication of the full text of the laws after amendments</p>		
<p><b>Qualitative indicator:</b> Provision in the law indicating the entry into force of the law for the publication of the full text of the laws after amendments</p>		<p><b>Time:</b> Q3 2022</p>
<p><b>Context:</b></p> <p>Milestone #412 is part of reform C14.R1, which aims at (i) streamlining and improving central government policy planning, (ii) enhancing the transparency and predictability of the legislative process and (iii) improving the consultation process of legislative proposals.</p> <p>Milestone #412 consists of the entry into force of the legislative amendment to Law No. 24/2000 on the rules of legislative technique for drafting normative acts. It should ensure that only consolidated legal texts are published following amendments, which is currently not the case.</p> <p>Milestone #412 is the final step of the implementation of C14.R1 towards enhancing the transparency and predictability of the legislative process and improving the consultation process of legislative proposals. It is accompanied by milestone #410 and milestone #411 in this payment request. The former is about ensuring entry into force of the guidelines for appropriate use and enforcement of the Single Register of Interest Transparency (RUTI), while the latter specifies when and how Government Emergency Ordinances may be used, how their impact should be assessed, as well as the procedures for preparation and approval.</p> <p>Reform C14.R1 has an expected date for full implementation in Q2 2026.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Copy of the Law No. 343/09 December 2022 for the completion of Article 2(1) of Law No.</li> </ol>		

73/1993 for the establishment, organisation and functioning of the Legislative Council, as well as for the completion of Law No. 24/2000 on the rules of legislative technique for drafting normative acts, published in the Official Journal, Part I, No. 1191 on 12 December 2022.

**Analysis:**

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

**The amendments to Law 24/2000 on legislative technique shall ensure publication of the full text of the law after amendments have been made to it, which currently in not being done systematically. Furthermore, in line with the description of the measure, the following specific actions shall be carried out as part of this reform: (8) adoption and entry into force of the legislative amendments to Law 24/2000 (...) (by 30 September 2022).**

Law No. 343/09 December 2022 for the completion of Article 2(1) of Law No. 73/1993 for the establishment, organisation and functioning of the Legislative Council, as well as for the completion of Law No. 24/2000 on the rules of legislative technique for drafting normative acts, published in the Official Journal on 12 December 2022 (hereinafter referred to as “the Law”) entered into force three days after the date of its publication in the Official Journal, according to the provisions of Article 12(1) of Law No. 24/2000 on the rules of legislative technique for drafting normative acts. The Council Implementing Decision required that the legislative amendments to Law 24/2000 shall enter into force by 30 September 2022. As explained above, Law No. 343/09 amending Law No. 24/2000 entered into force on 12 December 2022. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, Law No. 343/09 had entered into force at the time of the assessment.

***The Law amends Law No. 73/1993 for the establishment, organisation, and functioning of the Legislative Council by inserting a new letter (f1) in Article 2(1) specifying that the Legislative Council has the responsibility to prepare consolidated versions of laws, government ordinances, emergency ordinances, and normative decisions of the government. It in particular tasks the Legislative Council to systematically incorporate amendments and updates of existing legislation into a consolidated version of the respective legislative acts.***

***The Law also amends Law No. 24/2000 for the rules of legislative technique for drafting normative acts by inserting a new Article 70<sup>1</sup> after Article 70, regulating the elaboration of the consolidated version of legislative acts. In particular, it specifies that within 15 days after the entry into force of amending legislative acts, the Legislative Council must display consolidated versions of laws, government ordinances, emergency ordinances, and normative decisions of the government on its website. For codes and other complex laws, the time limit is extended by a further 10 days. The consolidation involves incorporating amending and/or supplementing rules without renumbering the articles, paragraphs, chapters, and other structures of the act. The structural elements that are expressly and directly repealed are also mentioned. Therefore, the amendments to Law No. 24/2000 ensure a systematic publication, by the Legislative Council, of the consolidated version of amended legislative acts.***

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number: 424</b>	<b>Related Measure: Ensuring the independence of the judiciary, enhancing its quality and efficiency</b>
<b>Name of the Milestone:</b> Amendment of the Criminal Code and Criminal Procedure Code	
<b>Qualitative Indicator:</b> Provision in the law indicating entry into force of the law	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #424 is part of reform C14.R5, which aims to strengthen the independence of the judiciary, enhancing its institutional efficiency.</p> <p>Milestone #424 requires the amendments of the Criminal Code and Criminal Procedure Code to align it with the Constitutional provisions following from relevant national Constitutional Court decisions.</p> <p>Milestone #424 is the fourth milestone of the reform and it follows milestone #421 on the entry into force of the government decision approving the strategy for the development of the judiciary 2022 – 2025, milestone #422 on the entry into force of the law amending the powers of the National Agency for the Management of Seized Assets and milestone #423 on the entry into force of the laws on the statute of magistrates, judicial organisation, Superior Council of Magistracy . Milestone #424 will be followed by 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.</p>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone was fulfilled.</li> <li>ii. Copy of the publication of Law No. 200/2023 on the amendment and completion of Law No. 286/2009 on the Criminal Code in the Official Journal No. 616, issued on 6 July 2023;</li> <li>iii. Copy of the publication of Law No. 201/2023 on the amendment and completion of Law No. 135/2010 on the Code of Criminal Procedure, in the Official Journal No. 618, issued on 6 July 2023;</li> <li>iv. Copy of the publication of Law no.214/2023 for the amendment and completion of Law No. 286/2009 on the Criminal Code, and of Law No. 135/2010 on the Criminal Procedure Code, in the Official Journal No. 634 issued on 11 July 2023.</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.</p> <p><b>The necessary amendments of the Criminal Code and Criminal Procedure Code shall be adopted and enter into force in order to bring the provisions of the Criminal Code and the Criminal Procedure Code that entered into force in 2014 in line with the Constitutional provisions, in accordance with the relevant national Constitutional Court decisions on the constitutionality aspects of the recent changes made to the Criminal Code and Criminal procedure. Furthermore, in line with the description of the measure, the following actions shall be carried out as part of this reform: (4) Adoption and entry into force of amendment of the Criminal Code and Criminal Procedure Code (by 31 December 2022).</b></p> <p>The Criminal Code and Criminal Procedure Code were amended in accordance with the relevant Constitutional Court decisions through three laws. Law No. 200/2023 on the amendment and completion of Law No. 286/2009 on the Criminal Code (hereinafter referred to as the “Law 1”) was published in the Official Journal No. 616 of 6 July 2023, Law No. 201/2023 on the amendment and completion of Law No. 135/2010 on the Code of Criminal Procedure (hereinafter referred to as “Law 2”) was published in the Official Journal No. 618 of 6 July 2023, and Law No.214/2023 for the</p>	

amendment and completion of Law No. 286/2009 on the Criminal Code, and of Law No. 135/2010 on the Criminal Procedure Code (hereinafter referred to as “Law 3”) was published in the Official Journal No. 634 of 11 July 2023. According to the provisions in Article 12(1) of Law No. 24/2000 on Legislative technique, Law 1, Law 2 and Law 3 all entered into force three days after their publication in the Official Journal. The Council Implementing Decision required that amendments to the Criminal Code and Criminal Procedure Code shall enter into force by 31 December 2022. As explained above, the three laws entered into force on 11 July 2023 and 14 July 2023, respectively. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the three laws had entered into force at the time of the assessment.

These laws address 52 exceptions of unconstitutionality, which the Constitutional Court of Romania (CCR) admitted concerning certain provisions which were introduced through the entry into force of Law No. 286/2009 (Criminal Code) and Law No. 135/2010 (Criminal Procedure Code) on 1 February 2014. The laws were prepared by an inter-institutional working group, which included the Ministry of Justice, the Superior Council of Magistracy, the High Court of Cassation and Justice, the Prosecutor's Office of the High Court of Cassation and Justice, the National Anticorruption Directorate, the Directorate for the Investigation of Organized Crime and Terrorism and the National Institute of Magistracy.

Law 1 amends Law No. 286/2009 on the Criminal Code, Law No. 682/2002 on the protection of witnesses, Law No. 187/2012 for the implementation of Law No. 286/2009 Criminal Code, and Law No. 254/2013 on the execution of punishments, educational measures and other non-custodial measures ordered by the judicial bodies during the criminal process.

Regarding Law No. 286/2009 on the Criminal Code, a number of over 50 amendments have been made on the basis of the relevant CCR decisions. These amendments concern, among others:

- the deletion of wording which had been declared unconstitutional by the CCR (for example, Article I. point 1 of Law 1 amends Article 35 (1) of the Criminal Code by removing the phrase declared unconstitutional (“and against the same passive subject”);
- the definition of specific notions from the Criminal Code, in line with CCR decisions (for example, Article III point 2 of Law 1 repeals art. 238 of Law no. 187/2012 for the implementation of Law no. 286/2009 on the Criminal Code, which established the meaning of the notion of unity of the passive subject in the case of continuing offence;
- the custodial educational measure, revised in Article 129 paragraph (2), letter b) in line with CCR decision No. 601/2018, to clarify the imprisonment punishment duration;
- offences related to driving on public roads, revised in Article 335, paragraphs 1 and 2, in line with CCR decision No. 224/2017.

Regarding Law No. 135/2010 on the Criminal Procedure Code, a number of over 70 amendments have been made on the basis of the relevant CCR decisions. Law 2 amends Law No. 135/2010 on the Criminal Procedure Code, Government Emergency Ordinance No. 43/2002 regarding the National Anticorruption Directorate, and the Government Emergency Ordinance No. 78/2016 regarding the organization and functioning of the Directorate for the Investigation of Organized Crime and Terrorism. These amendments concern, among others:

- The introduction in the course of criminal proceedings of the party with civil liability, by amending Article 21, paragraph 1, as requested by CCR Decision No. 257/2017;
- Clarifications that during the criminal investigation, the proposal to extend the preventive arrest together with the associated case documentation has to be submitted to the judge of rights and liberties at least 5 days before the expiry of the date of the preventive arrest, under the penalty of absolute nullity, amended by Chapter I Article 235 (1), as requested by

CCR Decision No. 336/2015;

- The total duration of the judicial control, amended by Article 215<sup>1</sup>, paragraph 8, as requested by CCR Decision No. 79/2018;
- Information of persons subject to surveillance, amended by Article 145, to address Decision No. 244/2017.

Finally, Law 3 transposes three decisions related to the Code of Criminal Procedure issued by the Constitutional Court and one decision related to the Criminal Code itself. These decisions concern, among others:

- Penalties for legal persons, amended by Article 136 (2) and 137 (3) in the Criminal Code, addressing CCR Decision No. 708/2021;
- Procedure for the application and lifting of the measure in criminal prosecution, amended by Article 248 of the Criminal Procedure Code, to address CCR Decision No. 357/2022;
- Content of the plea agreement by Article 482 of the Criminal Procedure Code, to address Decision No. 490/2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 439</b>	<b>Related Measure: Improve the procedural framework for the implementation of corporate governance principles in state -owned enterprises</b>	
<b>Name of the Milestone:</b> Entry into force of updated legislation for state - owned companies		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law on state owned enterprises		<b>Time:</b> Q4 2022
<b>Context:</b>  Milestone #439 is part of reform C14.R9, which aims to improve the corporate governance of all state-owned enterprises in Romania by enforcing OECD standards.  Milestone #439 calls for the entry into force of amendments to Law 111/2016, removing all exceptions to compliance with the corporate governance standards, including for state-owned companies at local level.  Milestone #439 is the first out of six steps in the implementation of reform C14.R9 and is accompanied by milestone #440 on the operationalisation of the task force at the centre of the government for corporate governance policy coordination and monitoring in this payment request. It will be followed by milestone #441 on the publication of the monitoring dashboard with financial and non - financial targets and performance indicators for all categories of public companies, target #442 on the reduction of interim/temporary management board appointments by 50% for state-owned companies at central level, target #443 on the central state-owned companies listed/ leased/ restructured in the field of energy and transport, and target #444 on the reduction of interim/temporary management board appointments by 10% for state-owned companies at local level.  Reform C14.R9 has a final expected date for implementation in Q2 2026.		
<b>Evidence provided:</b>  The following evidence was provided:		



- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled.
- ii. Copy of the publication of Law No. 187/ 2023 (hereinafter referred to as the “Law”), on amending and supplementing Government Emergency Ordinance GEO No. 109/2011 on the corporate governance of state-owned enterprises approved by Law 111/2016, in the Official Journal No. 594 on 29 June 2023.
- iii. Copy of the publication of Government Decision No. 639/2023 (hereinafter referred to as “GD 639/2023”) for approving of the methodological norms for the implementation of Government Emergency Ordinance no. 109/2011 on the corporate governance of state-owned enterprises, in the Official Journal No. 1139 on 15 December 2023.
- iv. Copy of the publication of Government Emergency Ordinance No. 117/2023 on amendment of Governance Emergency Ordinance No. 109/2011 regarding corporate governance of state-owned enterprises and on the amendment of Law No. 187/2023 on the revision and adoption of Governance Emergency Ordinance No. 109/2011 regarding corporate governance of state-owned enterprises, in the Official Journal No. 1139 on 15 December 2023.
- v. Copy of the publication of Government Decision No. 108/2024 (hereinafter referred to as “GD 108/2024”) for the revision of Government Emergency Ordinance no. 109/2011 on the corporate governance of state-owned enterprises, in the Official Journal No. 910 on 9 September 2024.
- vi. Letter from the National Bank of Romania regarding the secondary legislation applied by mint and bank notes companies.
- vii. Letter from the General Secretariat of the Government regarding the secondary legislation applied by insurance and credit institutions.

**Analysis:**

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

**Entry into force of the amended Law 111/2016, removing all exceptions, including for state-owned companies at local level.** Furthermore, in line with the description of the measure, **the updated legislation for state-owned companies (including those at local level) shall enter into force by 31 December 2022.** The milestone is further specified in the Operational Arrangements, which require that, **for the purposes of this operational arrangement it shall be understood that the milestone refers to the entry into force of the amended Law 111/2016, approving Government Emergency Order No 109/2011 on corporate governance of state-owned enterprises.**

The Council Implementing Decision required that “the updated legislation for state-owned companies (including those at local level) shall enter into force by 31 December 2022.” Law No. 187/2023 (“the Law”) amending GEO 109/2011 approved by Law No. 111/2016 on the governance of state-owned enterprises was published in the Official Journal on 29 June 2023. According to the provisions in Article 12(1) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts, the Law entered into force three days later, on 4 July 2023. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, Law No. 187/2023 had entered into force at the time of the preliminary assessment. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The Council Implementing Decision required the entry into force of the amended Law 111/2016, removing all exceptions, including for state-owned companies at local level. Article 1(1) of the Law

provides for the organisation, operation and governance of public undertakings and ensures that transparency is increased by defining the quality of the information they disclose to the public, in compliance with the principles of corporate governance of public undertakings. Article 1(2) of the Law provides **that all state-owned enterprises** must apply its provisions, eliminating all exceptions, including for state-owned enterprises at local level. According to Article 1, paragraphs 1, 2 and 5 of the Law, the principles of corporate governance must be implemented by all autonomous administrations, national companies, state-owned enterprises, and companies where the state or a local administrative unit is the sole shareholder, majority shareholder, or exercises control, as well as companies in which one or more public enterprises hold a majority stake or a stake that ensures control.

However, Article 1(6) of the Law exempts two autonomous administrations subordinated to the National Bank of Romania (these are the State Mint and National Printing House) from applying the provisions of the Law. As explained in the letter of the National Bank of Romania, these are entities that serve critical functions linked to the performance of the tasks of the National Bank of Romania in relation to the issue of banknotes and coins as means of payment in Romania, in order to meet the country's cash needs.

Insurance and credit institutions such as the State Mint and National Printing House, apply the provisions of the special legislation on corporate governance (Law No. 227/2007, Law No. 207/2022, Law No. 237/2015, and Law No. 236/2018). Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, Articles 1(3) and 1(4) of the Law require that if the corporate governance rules laid down in Law No. 227/2007, Law No. 207/2022, Law No. 237/2015, and Law No. 236/2018 do not provide specific conditions, the provisions of the Law shall apply. Therefore, the Law serves as the general framework for corporate governance in public undertakings and ensures that, in the absence of specific conditions in the special legislation, the provisions of the Law are applicable to the State Mind and National Printing House.

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that milestone #439 represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**These amendments shall (i) separate the regulatory and ownership functions (...)**

Article 2<sup>1</sup>(a) of the Law provides for the separation of regulatory and ownership functions. It provides that within the Public Supervisory Authorities, separate compartments for corporate governance should be organised and function, with the role of monitoring the activities of the state-owned enterprises in their portfolio and exercising the attributes of ownership rights over the state-owned enterprises under their subordination/portfolio. Regulatory compartments must also be organised at the level of the Public Supervisory Authorities. The same article provides that tutelary authorities non-compliant with these requirements are subject to the penalties provided for in Article 59<sup>1</sup>(1), such as a “fine of RON 15 000 to RON 50 000 in the event of a crime committed for the first time”, a “fine of RON 50 000 to RON 200 000 for repeated irregularities”, or with AMEPIP taking over property rights for state-owned companies where tutelary authorities are repeatedly non-compliant.

**(...) (ii) remove any direct or indirect advantage that might derive from State ownership, be it in terms of market rules/regulations, financing, taxation, or public procurement.**

Article 2<sup>1</sup>(e) of the Law requires public undertakings to operate on equal conditions as other

economic operators and prohibits the adoption of regulations which favour public undertakings over private ones, or which distort free competition between public and private undertakings. Moreover, Article 2<sup>1</sup>(f) of the Law stipulates that all state-owned enterprises must ensure full compliance with competition, tax, public procurement, and other legislation equally applicable to public and private undertakings. The Law therefore ensures that state-owned enterprises are subject to the same rules and regulations as private undertakings, eliminating any potential advantages that might arise from State ownership.

**(...) (iii) ensure that any state -owned enterprise pursue obtaining profitability.**

Article 2<sup>1</sup>(g) of the Law provides that the State and the administrative territorial units, as shareholders/members and owners of public undertakings respectively, must ensure that the public authorities pursue profitability requirements similar to those of private equity companies. Based on Article 2<sup>1</sup>(h) public companies carrying out public service obligations are subject to performance indicators on the pursuance of the public interest.

Furthermore, Annex 2 of GD 639/2023 lays down the methodology for establishing financial and non-financial performance indicators for state-owned enterprises. Articles 8 – 13 of Annex 2 of GD 639/2023 elaborate on the types of indicators and criteria these must respect.

To enforce the abovementioned requirements, Article 4<sup>1</sup>(1) and (2) of the Law provides that a permanent body with legal personality will be established under the authority of the Government and in the coordination of the Prime Minister, through the General Secretariat of the Government. Article 4<sup>1</sup> of the Law entrusts the Agency for the Monitoring and Evaluation of Performance of Public Enterprises (AMEPIP) with a key role in establishing the corporate governance policy, to coordinate the implementation of the rules in this area at the level of the public supervisory authorities, to monitor and evaluate them, and to impose sanctions for the deviations identified.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 449	<b>Related measure: Increasing the capacity of civil society organisations to foster active citizenship, to engage professionally in the planning and implementation of public policies on social rights addressed by the national recovery and resilience plan and to monitor related reforms</b>	
<b>Name of the milestone:</b> Entry into force of social dialogue legislation, providing for meaningful and timely social dialogue and collective bargaining, in line with the ILO Recommendations		
<b>Qualitative indicator:</b> Provision in the law indicating the entry into force of the law for the social dialogue		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Investment C14.I4 aims at enhancing the capabilities of civil society organizations, enabling them to promote active citizenship, participate professionally in planning and implementing public policies related to social rights, and monitor associated reforms.</p> <p>Milestone #449 concerns the entry into force of a new law on social dialogue, collaboratively negotiated with social partners.</p> <p>Milestone #449 is the first step of the implementation of the investment. It will be followed by</p>		

target #448 aiming to establish a minimum of 15 collaborative initiatives involving non-governmental organizations, focused on actively participating in and monitoring public consultation processes.

The investment has a final expected date for implementation of 31 March 2026.

**Evidence provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii. Copy of Law No. 367 of 22 December 2022 on social dialogue, published in the Official Journal No. 1238 on 22 December 2022;
- iii. Copy of Government Decision No. 171 of 7 March 2023 on the definition of collective bargaining sectors, published in the Official Journal No. 190 on 7 March 2023;
- iv. Copy of Government Emergency Ordinance No. 42 of 25 May 2023 amending and supplementing Law No. 367/2022 on social dialogue and Law No. 53/2003 on the Labour Code, published in the Official Journal No. 459 on 25 May 2023;
- v. Copy of Law No. 358 of 29 November 2023 for the approval of Government Emergency Ordinance No. 42/2023 for amending and supplementing the Law No. 367/2022 on social dialogue and the Law No. 53/2003 on the Labour Code, published in the Official Journal No. 1083 on 29 November 2023; Copy of the Ministerial Order No. 2311/2023 of the Minister of Labour and Social Solidarity on the establishment of collective bargaining sectors and their four digit NACE codes, as well as the approval of the procedure for the classification in collective bargaining sectors of the units defined according to Article 1 point 21 of Law No. 367/2022 on social dialogue, published in the Official Journal No. 1064 on 24 November 2023;
- vi. Copies of the stakeholder consultation evidence as follows:
  - Copy of the request for Parliamentary re-examination of the law and Parliamentary report on draft law, including social partners opinions for the meeting on 8 November 2022;
  - Copy of the invitation to the meeting of the National Tripartite Council for Social Dialogue of 16 November 2022, minutes of the meeting and list of participants;
  - Copy of the minutes and participants list for the social partners consultation meeting of 18 November 2022;
  - Copy of the minutes and participants list for the social partners consultation meeting of 21 November 2022;
  - Copy of the parliamentary replacement report of 23 November 2022 on the draft law, including the amendments following debates and consultations.

**Analysis:**

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

***Entry into force of a new law on social dialogue, negotiated with the social partners.***

***Law No. 367/2022 on social dialogue (hereinafter referred to as “the Law”) was published in the Official Journal No. 1238 on 22 December 2022 and entered into force three days later, according to the provisions of Article 12(1) of Law No. 24/2000 on the rules of legislative technique for the drafting of normative acts. Prior to its adoption, the draft law was negotiated with representatives of social partners in formal and informal consultations and was also debated in the National Tripartite Council (in line with International Labour Organization (hereinafter***

*referred to as "ILO") recommendation 1). The Romanian authorities provided a detailed consultation timeline documenting the dialogue and negotiation process with the social partners as well as documents (like the invitation to consultation, list of participants at the consultation meeting, minutes of the consultation meeting) as supporting evidence for the consultation process.*

**The law shall address deficiencies in the social dialogue process as highlighted in the relevant Country Specific Recommendation and be in line with the International Labour Organisation recommendations issued in April 2018 and referred to in recital 25 of the 2020 Country Specific Recommendations.**

***The 2019 and 2020 Country Specific Recommendations identified the following deficiencies in the social dialogue process:*** limited functioning at the sector level, insufficient involvement of social partners in decision-making and reform implementation, underutilization of the established consultation framework, stalled discussions on social dialogue law and economic sector revisions, and uncertainty regarding follow-up on the International Labour Organisation's 2018 Recommendations. The 2019 CSR recommended to Romania to improve the functioning of social dialogue.

***These deficiencies are addressed by Law No. 367 of 22 December 2022 on social dialogue which amends Law 62/2011 (the previous law on social dialogue).***

***Article 1 of the Law amended definitions such as "social dialogue" and "collective labor agreement" in accordance with ILO Recommendation 2 concerning the list of definitions of key legal notions.*** The definition of "social dialogue" has been revised in Article 1(2), and the definition of "collective labour agreement" has also been updated in the same article. Moreover, the distinction between "social partners" and "social dialogue partners" has been removed, with Article 1(1) now including employers', workers' representatives, and public administration authorities under one definition. Article 1(23)(a) now encompasses the notion of "information" to include exchanges both from the employer to the union and vice versa, as recommended by the ILO. ***Individuals*** subject to the Law have been extended, the term worker has been replaced by employee/worker in Article 1(5) however, the definition of these terms in the national legislation is still lacking.

***ILO Recommendation 3 on freedom of association, including the right to organize protest action, as well as certain political activities was taken up in Article 3(1) of the Law, which now recognizes the right of various workers to join a trade union, and in Article 27 by allowing protest actions and removing restrictions on political activities.***

***Article 3(3) of the Law lowers minimum membership requirements for forming a trade union, addressing ILO Recommendation 4 however falling short of instituting differentiation based on the size of the company.***

***ILO Recommendation 5 on strengthening workers' consultation and information rights by ensuring participation in company governing bodies and by establishing clear procedures for employee information and consultation was taken up in Article 98(4) of the Law.***

***ILO Recommendation 6 on protection against interference and discrimination and on ensuring workers' right to freely affiliate with multiple unions was taken up in Article 10(1) of the Law by clarifying the prohibition of discriminatory measures and in Article 3(5) stating that if a worker***

has more employers affiliation to multiple unions is possible

***ILO Recommendation 7 on protection against*** all discriminatory measures based on union membership or activities, clarifying protection for trade union officials, ensuring protection against dismissal extends beyond their mandate, ***was taken up in Article 10(1) that includes protection during hiring and employment, and in Article 10(2) of the Law that provides protection for elected representatives of trade union leaders.***

***ILO Recommendation 8 on*** reconsidering the union membership threshold for representativeness at the company level, ensuring collective bargaining rights for all unions if the threshold isn't met ***was taken up in Article 97(1) of the Law by lowering the threshold for mandatory collective bargaining to 10 employees.***

***ILO Recommendation 9 on*** ensuring that elected representatives do not undermine trade unions, allowing elected representatives to engage in collective bargaining only if no trade unions are present, and permitting minority unions to negotiate on behalf of their members, ***was taken up in Article 57(1), Article 58(5) and Article 102(1)(B) of the Law by ensuring appropriate measures to prevent undermining of trade unions and by ensuring that*** elected representatives can engage in collective bargaining only in the absence of trade unions at the company level.

***ILO Recommendation 10 on*** allowing the parties to determine the bargaining level and negotiate collective agreements at the national level if desired, ***was taken up in Article 96(2) of the Law, which allows national-level negotiations.*** Government Emergency Ordinance No. 42/2023 amending and supplementing Law No. 367/2022 on social dialogue and Law No. 53/2003 on the Labour Code is further regulating the collective bargaining rules for both the public and private sectors.

***ILO Recommendation 11 on*** extending the possible duration of collective agreements and ensuring conditions for their extension at the sectoral level are discussed with social partners to best fit the national industrial relations system ***was partially addressed in Article 110(4) of the Law by facilitating the legal extension of the conclusion of sectoral collective agreements.***

***ILO Recommendation 12 on*** implementing obligations for good faith negotiations, clarifying the right of trade unions to strike on major issues, the scope of the social peace obligation, legal avenues for workers if employers fail to implement collective agreement clauses, and explicitly listing personnel prohibited from striking ***was taken up in Article 148 of the Law, which establishes the different types of strikes; in Article 146(2) of the Law regulating the claims of a strike; in Article 147(2) of the Law regulating the threshold for declaring strikes; and in Article 155(1) of the Law allowing strikes against social and economic government policies.***

***ILO Recommendation 13 on*** new responsibilities for the ***National Tripartite Council was taken up in Article 85 j) and Article 85 k) of the Law regulating the re-examination of unratified ILO Conventions and recommendations by empowering the National Tripartite Council.***

**Also, the Law shall foresee a Revision of the definition of the economic sectors as a basis for sector level collective agreement.**

Article 184(4) of the Law provides that within 30 days of approval of the consensual request of the representative social partners at national and/or sectoral level, based on which new collective bargaining sectors can be formed, the Minister responsible for Social Dialogue has to issue the order redefining the collective bargaining sectors. Ministerial Order No. 2311/2023 revised the economic sectors' definitions and ***outlines that sector level collective agreement is to be reached in***

*accordance with membership to a respective economic sector.*

*The new Social Dialogue Law is largely addressing the ILO Recommendations, and it makes a meaningful improvement of the social dialogue and collective bargaining.*

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 453</b>	<b>Related Measure: Unitary, inclusive and quality early-childhood education system</b>	
<b>Name of the Milestone:</b> - Entry into force of the Ministerial Order (MO) adopting the Cross-sectoral Framework Programme - Entry into force of the MO regulating the establishment, organisation and operation of complementary early-childhood education services		
<b>Qualitative Indicator:</b> - Provision in the MO indicating the entry into force of the Cross-sectoral Framework Programme - Provision in the MO indicating the entry into force of the regulation for the establishment, organisation and operation of complementary early-childhood education services		<b>Time:</b> Q4 2022
<b>Context:</b> The objective of the reform is to improve access to early childhood education and care, in particular for children part of socio-economically disadvantaged groups, covering all ages until primary education starts.  Milestone #453 requires the entry into force of two Ministerial Orders, one related to the Cross-sectoral Framework Programme and the other focusing on complementary early-childhood education services.  Milestone #453 is the first step of the implementation of the reform and it will be followed by target #454 related to participation rate of 0-3 year-olds in early childhood education services and target #455, related to participation rate of 3–6-year-olds in early childhood education services.  The reform has a final expected date for completion on 31 December 2025.		
<b>Evidence provided:</b> The following evidence was provided: <ol style="list-style-type: none"><li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li><li>ii. Copy of Ministerial Order No. 6424/20129/2257/3976/25/2023 on the development of unitary, inclusive, integrated and quality early education services, published in the Official Journal No. 66 on 26 January 2023<sup>3</sup> (hereinafter referred to as “the initial Ministerial Order”), entered into force on the date of the publication in the Official Journal;</li><li>iii. Copy of Ministerial Order No. 5407/20707/2143/3488/2398/2023, amending and supplementing Ministerial Orders No. 6424/20129/ 2257/3976/25/2023, published in the Official Journal No. 1105 on 8 December 2023<sup>4</sup> (hereinafter referred to as “the amending Ministerial Order”), entered into force on the date of the publication in the Official Journal;</li><li>iv. Copy of Government Decision No. 1604/2022 of 28 December approving the Methodology</li></ol>		

<sup>3</sup> Each Ministry involved in this reform adopted a Ministerial Order of identical content.

<sup>4</sup> Each Ministry involved in this reform adopted a Ministerial Order of identical content.

for the Organisation and Operation of Early Childhood Education Services and amendment of Annex 4 to Government Decision No. 369/2021 on the organisation and functioning of the Ministry of Education, published in the Official Journal No. 1276 on 30 December 2022, which entered into force on the same date.

- v. Regulation on the Rules of organisation and operation of the Inter-sectoral Committee on early childhood education.
- vi. Decision No. 1 of 15 March 2024 for the approval of the Annual Operational Implementation Plan for 2024 by the Inter-sectoral Committee on early childhood education and its Annex (the Annual Operational Implementation Plan for 2024).
- vii. Decision No. 2 of 29 May 2024 for the approval of the Annual Operational Implementation Plan for 2024 by the Inter-sectoral Committee on early childhood education and its Annex (the Annual Operational Implementation Plan for 2024).
- viii. Copy of Emergency Ordinance No. 128/2022 of 23 September for the amendment and completion of the National Education Law no. 1/2022, published in the Official Journal No. 941 on 26 September 2022, which entered into force on the same date;
- ix. Ministerial Order No. 3912 of 28 February 2024 approving the setting up and nominal members of the Inter-sectoral Committee on early childhood education.
- x. Minutes No. 540/ DGIPRE of 7 April 2024 of the meeting of the Inter-sectoral Committee on early childhood education for the approval of the Annual Implementation Plan for 2024.

**Analysis:**

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

**The Ministerial Order, signed by the Minister of Education, Minister of Labour and Social Protection, Minister of Health and Minister of Development, Public Works and Administration shall adopt and operationalise during the first year of the Programme the Cross-sectoral Framework Programme for the development of unitary, inclusive and quality early-childhood education services Furthermore, in line with the description of the measure, the Inter-sectoral Framework Programme shall be adopted by a Ministerial Order and enter into force by 31 December 2022.**

The Ministerial Order No. 6424/20129/2257/3976/25/2023 (hereinafter "the Ministerial Order") entered into force at the time of its publication in the Official Journal No. 66 on 26 January 2023 as specified under its Article 6. The responsible ministers, that is the Minister of Education, the Minister of Family, Youth and Equal Opportunities, the Minister of Labour and Social Protection, the Minister of Health and the Minister of Development, Public Works and Administration, signed this Ministerial Order. A similar process was repeated for amending the initial Ministerial Order, by the Ministerial Order No. 5407/2023/20707/2023/2143/2023/3488/2023/2398/2023 signed by same Ministers (hereinafter "the amending Ministerial Order") and which entered into force at the time of its publication in the Official Journal No. 1105 on 8 December 2023 according to its Article IV. The amendments referred to further clarifying the objectives of the Cross-sectoral Framework Programme and of the Annual Operational Implementation Plans for the programme, including the organization of the Inter-sectoral Committee on early childhood education. These ministerial orders were also signed by the Ministry of Family, Youth and Equal Opportunities given their responsibilities for implementing the Cross-sectoral Framework Programme with regard to the measures included under objectives 2 and 4 of the Operational Plan for the implementation of the Cross-sectoral Framework Programme. The Ministry of Family, Youth and Equal Opportunities was established as a new ministry with responsibilities related to family and equal opportunities matters, following a reorganization decision at the level of the Government, according to the provisions of Article 3 of the Government Emergency Ordinance No. 121 of 25 November 2021, whereas the responsibilities



of the Ministry of Labour were split with the new Ministry for Family, Youth and Equal Opportunities. The Council Implementing Decision required that the Cross-Sectoral Framework Programme shall enter into force by 31 December 2022. Amending Ministerial Order adopting the Cross-Sectoral Framework Programme entered into force on 8 December 2023. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the Cross-Sectoral Framework Programme was adopted by the time of the assessment.

The initial Ministerial Order states in its Article 1(1) that “the Ministry of Education, the Ministry of Family, Youth and Equal Opportunities, the Ministry of Labour and Social Solidarity, the Ministry of Health and the Ministry of Development, Public Works and Administration exercise powers and responsibilities for the development of unitary, inclusive, integrated and quality early childhood education services under the Cross-sectoral Framework Programme for the development of unitary, inclusive, integrated and quality early childhood education services [...]”. Article 2 lists the areas to be covered for the operationalisation of the Cross-sectoral Framework Programme and Article 3 approves the objectives of the Cross-sectoral Framework Programme.

Article 3(1) of the amending Ministerial Order adopts the Cross-sectoral Framework Programme for the development of unified, inclusive, integrated and quality early childhood education services, further detailed in Annex 1 of the order. Furthermore, Article 9(2) amending the initial Ministerial Order specifies that the Cross-Sectoral Framework Programme would be operationalized through Annual Operational implementation Plans detailing the deadlines and responsibilities of each implementing entity. These Annual Operational Implementation Plans are further detailed in Annex 2 to the amended Ministerial Order. As the initial Ministerial Order and the amending Ministerial Order entered into force on 26 January and 8 November 2023 respectively, the requirement to adopt and operationalise the Cross-sectoral Framework Programme during the first year of the Programme has been respected.

**The Ministerial Order decision shall contain:**

**- The Cross-sectoral Framework Programme (ISFP) with the responsibilities of each Ministry. Furthermore, in line with the description of the measure, the reform includes the adoption of an Inter-sectoral Framework Programme (...) with clear responsibilities for the ministries involved (Ministry of Education, Ministry of Labour and Social Protection, Ministry of Health and Ministry of Development, Public Works and Administration).**

The initial Ministerial Order specifies in Article 1(1) that “the Ministry of Education, the Ministry of Family, Youth and Equal Opportunities, the Ministry of Labour and Social Solidarity, the Ministry of Health, the Ministry of Development, Public Works and Administration exercise the powers and responsibilities for the development of unitary, inclusive, integrated and quality early childhood education services under the ISFP [...]”.

Annex 1 of the amending Ministerial Order sets out the ISFP in four chapters and 11 articles. The chapters cover organisational measures for the development and implementation of the ISFP. Furthermore, Article 10(2) of Annex 1 lists the specific responsibilities of each central public authority (that is the ministries) involved in the development of the early childhood education system. The article defines the responsibilities of the Ministry of Development, Public Works and Administration, the Ministry of Health, the Ministry of Education, the Ministry of Labour and Social Solidarity, the Ministry of Family, Youth and Equal Opportunities.

**- Annual Operational Implementation Plans (AOIP) to implement the ISFP. These annual plans shall define the deadlines and responsibilities and clarify the aspects of cooperation in monitoring the implementation of those measures.**

Article 9(2) of Annex 1 to the amending Ministerial Order states that the ISFP shall be operationalised through Annual Operational Implementation Plans (hereinafter referred to as

“AOIP”). These AOIPs should contain the contribution for each area, in accordance with the legislation in force, and the targets set out in the Governance Programme or in the various specific reform programmes, define deadlines and responsibilities and clarify the technical aspects of interinstitutional cooperation. The initial Ministerial Order approved the Operational Implementation Plan for 2022-2023, which includes the responsibilities of each ministry for the different objectives, measures per objective and actions per measure.

Annex 2 of the amending Ministerial Order contains the Multiannual Operational Implementation Plans, up until and including 2026 listing the actions, results, responsible ministries, and deadlines as well as the responsibilities of each Ministry.

The initial Ministerial Order also established an Intersectoral Committee on Early Childhood Education (CIET). The initial Ministerial Order then further details in Article 1(3) that the CIET is made up from the members of the National Support Committee for Early Education (CNSET) and representatives of the responsible ministries. In Article 1(5) the process to establish CIET’s mandate is clarified. Article 3(3) in Annex 1 of the amended Ministerial Order states that the CIET is responsible for drawing up annual operational plans for the implementation of the measures of the cross-sectoral framework programme for the development of unitary, inclusive, integrated and quality services for early childhood education, and for monitoring and reporting on their progress. The nominal members of CIET were approved by Ministerial Order No. 3912 of 28 February 2024 and CIET’s functioning was further detailed in the Rules for functioning and organisation of CIET, which were approved on 7 April 2024 (according to Minutes No. 540/ DGIPRE of 7 April 2024). CIET also approved the AOIP for 2024, as stated in Decision No. 1 of 15 March 2024, which was subsequently amended by Decision No. 2 of 29 May 2024. The 2024 AOIP specifies the deadlines, the responsibilities and clarifies the cooperation between those involved in the implementation of the respective measures, in line with the provisions of Article 10 and Article 12 of Ministerial Orders No. 5407/2023 of 17 August, No. 20707/2023 of 25 August, No. 2143/2023 of 20 October, No. 3488/2023 of 11 October and No. 2398/2023 of 10 November.

**A further step shall be the adoption of a Ministerial Order regulating the establishment, organisation and operation of complementary early-childhood education services until 31 December 2022, in order to prepare the launching of the grant scheme.**

The Council Implementing Decision required the adoption of a Ministerial Order regulating the establishment, organisation and operation of complementary early-childhood education services until 31 December 2022, in order to prepare the launching of the grant scheme. The Romanian authorities adopted multiple pieces of legislation to regulate the establishment, organisation and operation of complementary early-childhood education services. First, the authorities adopted Government Emergency Ordinance No. 128/2022, amending and completing the National Education Law No. 1/2011 with two new paragraphs under its Article 27. The first paragraph states that in localities with an insufficient number of nurseries and kindergartens, complementary early childhood education services may be developed, which could also function as schools. The second paragraph tasks the Ministry of Education to initiate a Government Decision on the organisation and operation of complementary early childhood education services. Government Emergency Ordinance No. 128/2022, entered into force at the time of its publication in the Official Journal No. 941 on 26 September 2022, in accordance with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. Further on, the Ministry of Education prepared Government Decision No. 1604/2022 (hereinafter referred to as “Government Decision No. 1604/2022”), approving the Methodology for the Organisation and Operation of Early Childhood Education Services and amending Annex 4 to Government Decision No. 369/2021 on the organisation and functioning of the Ministry of Education, which was published in the Official Journal No. 1276 on 30 December 2022. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of this milestone

is satisfactorily fulfilled.

As the Government Decision No. 1604 was adopted on 28 December 2022, the requirement for the establishment, organisation and operation of complementary early-childhood education services until 31 December 2022 has been respected.

Article 1 of Government Decision No. 1604/2022 approves the methodology for the organisation and operation of complementary early childhood education services, set out in its Annex 1 and forming an integral part of the Decision.

Annex 1 to the Government Decision No. 1604/2022 comprises eight chapters setting out provisions on:

- Establishment and accreditation of complementary early education services;
- Organisation and operation of complementary early education services;
- Educational content of the complementary early childhood education;
- Human resources engaged in complementary early childhood education services;
- Relationship with parents and the community;
- Monitoring of complementary early childhood education services.

Article 4 in Chapter III of Annex 1 states that complementary early childhood education services shall be established as pre-school establishments with legal personality, in municipalities where there are insufficient nurseries and kindergartens due to (i) being in isolated/disadvantaged areas, (ii) localities where school population, particularly under the age of 6, is low and educational establishments do not operate, (iii) localities where a significant number of outstanding applications for crèches and kindergartens are registered, and where complementary early childhood education services can be provided. Article 6 establishes the organisation of the complementary services into groups; and Article 8 the forms complementary services might take. Chapter III of Annex 1 further elaborates on the organisation and operation of complementary early education services in terms of the structure of the school year (Section 1), the enrolment, transfer and removal of children from such services (Section 2) and ensuring the right educational environment (Section 3).

These specifications contained in Annex 1 are referred to in the call for applicants launching the grant scheme for setting up, equipping and operationalising complementary services for disadvantaged groups (milestone #458).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 463</b>	<b>Related Measure: Reform of the compulsory education system to prevent and reduce early school leaving</b>	
<b>Name of the Milestone:</b> Entry into force of the Ministerial Order (MO) for the use of MATE tool at national level		
<b>Qualitative Indicator:</b> Provision in the MO indicating the entry into force of the use at national level of the MATE tool in all schools in primary and lower secondary education		<b>Time:</b> Q4 2022
<b>Context:</b> Milestone #463 is part of reform C15.R3, which aims to prevent and reduce early school leaving using the Early Warning Mechanism in Education (MATE) to improve evaluation outcomes and to achieve a higher participation and success rate in national examinations of compulsory education. A decentralised approach should increase the schools' autonomy in the use of resources. In addition, monitoring pupils at risk of early school leaving and supporting schools with data collection through		

the MATE IT tool allows for individualised work plans and training.

Milestone #463 requires the entry into force of the Ministerial Order for the use of MATE IT tool at national level. The aim of the tool is to help identify educational units with a high degree of drop-out risk (defined as the rate of youth that have not finished lower secondary school and are neither in education nor in training), which could then benefit from grants (complementary Investment 4, milestones #464 and targets #465 - #468).

Milestone #463 is the second and last milestone of this reform, and it follows the completion of milestone #462, related to entry into force of the Government Decision establishing the implementation of the National Programme to reduce early school leaving (included in the first payment request).

**Evidence provided:**

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. 6447/2022 of 22 December amending and supplementing Ministerial Order No. 6000/2021 approving the Early Warning Mechanism in Education (MATE) and the Methodology for the implementation and use of the MATE IT tool for the prevention of school dropout and early school leaving, published in the Official Journal No. 76 on 30 January 2023 (hereinafter referred to as “Ministerial Order No. 6447/2022”);
- iii. Copy of Ministerial Order No. 6457/2022 of 22 December approving the Methodology for the management of the Early Warning Mechanism in Education (MATE) IT tool of the Integrated Education Information System in Romania (SIIR) for pre-university education activities, published in the Official Journal No. 30 on 11 January 2023 (hereinafter referred to as “Ministerial Order No. 6457/2022”);
- iv. Copy of Ministerial Order No. 6000/2021 of 30 December approving the Early Warning Mechanism in Education (MATE) and the Methodology for the implementation and use of the MATE IT tool for the prevention of school drop-out and early school leaving, published in the Official Journal No. 1252 on 30 December 2021 (hereinafter referred to as “Ministerial Order No. 6000/2021”).

**Analysis:**

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

**The Ministerial Order shall provide for the use of the MATE IT tool at national level.**

**The IT module identifies the risks, while the National Programme includes educational units with a high degree of drop-out risk, (rate of youth that have not finished lower secondary school and are neither in education nor in training), the ones that shall receive grants.**

The first payment request included the satisfactory fulfilment of milestone #462 (Entry into force of the Government Decision establishing the implementation of the National Programme to reduce early school leaving), the first step of reform C.15.R3. This Government Decision and the subsequent Ministerial Order No. 6000/2021 established the MATE IT tool to identify the risks, while the National Programme included educational units with a high degree of drop-out risk, which then shall receive grants. These elements formed part of the assessment of milestone #462. The programme identifies primary and secondary schools with a high percentage of pupils at risk of dropping out and supports them in collecting relevant data and carrying out individualised work plans through the MATE IT tool. The MATE tool collects school data on indicators to assess the risk of early school leaving, on the basis of which its vulnerability index on early school leaving is calculated. There are

five Indicators: (1) percentage of replacement teachers in relation to total number of teachers; (2) secondary education attainment rate; (3) the ratio of repeat and drop-out pupils to the total number of pupils; (4) the participation rate of secondary school graduates in the national assessment for 8th grade graduates; (5) the share of lower secondary school graduates who scored less than 6 in the national assessment for 8th grade graduates. Based on the vulnerability index established by the MATE tool, the intervention priority — high, medium and low at school level — is set to reduce the risk of drop-out and early school leaving.

The first payment request included as well the satisfactory fulfilment of milestone #464 (Open call for projects for the support of students for the transition from lower to upper secondary education, on the basis of 5 indicators defined in the Early Warning Mechanism in Education). In the applicants' guidelines, the eligible target group and purpose was defined (see p.2 of the guidelines: schools with high and medium risk of dropout and scheme to allocate financial resources to schools to support students in order to reduce absenteeism, improve assessment results, obtain a higher participation rate in national exams and a higher percentage of students' transition from lower to upper secondary education).

The Ministry of Education passed a Ministerial Order approving the Early Warning Mechanism in Education (MATE) and its methodology. The Ministerial Order was published in the Official Journal No. 1252/2021 and entered into force on the date of its adoption, 30 December 2021. This Ministerial Order however only covered secondary education, therefore Ministerial Order No. 6447/2022, which entered into force with its publication in the Official Journal No. 76 on 30 January 2023, extended the use of the MATE IT tool at national level, covering both the primary and lower secondary education. In particular, Article 3 of the Ministerial Order states that all educational establishments at primary and/or secondary school levels shall use the MATE IT tool for the purpose of collecting data on the identification of risks associated to early school leaving. Annex 1 of Ministerial Order No. 6447/2022 provides details on the respective risk categories and mandatory procedures for the data collection and coordination of actions across different levels. In its Annex 2 the Ministerial Order No. 6447/2022 then covers the Methodology for the implementation and use of the tool, allowing schools to monitor progress of student at risks and enabling them to adjust support when needed.

The introduction of the MATE IT module at national level has been complemented by Ministerial Order No. 6457/2022, which approves the Methodology for the management of the Early Warning Mechanism in Education (MATE) IT tool of the Integrated Education Information System in Romania (SIIR) for pre-university (primary and secondary) education activities and entered into force at the time of its publication in the Official Journal No. 30 on 11 January 2023. Its objective is to ensure the management of the MATE IT tool is also included in the Integrated Education Information System in Romania (SIIR) for pre-university education activities.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 470</b>	<b>Related Measure: Creation of a full professional route for higher technical education</b>	
<b>Name of the Milestone:</b> Entry into force of the Government Decision approving the Methodology for organizing the complete dual route and the new qualifications resulting from the complete dual route		
<b>Qualitative Indicator:</b> Provision in the Government Decision indicating the entry into force of the Methodology for organizing the complete dual route and the new qualifications resulting from the complete dual route		<b>Time:</b> Q3 2022

**Context:**

Milestone #470 is part of reform C.15 R.4, which aims to develop dual education with a higher number of areas, qualifications and graduates covered, to better reflect both students' and labour market demand. This should allow a complete educational path allowing students to move from dual secondary further into third level education programmes.

Milestone #470 requires the entry into force of legislation approving the methodology for organizing the complete dual route and its new qualifications, covering vocational and educational training (VET) and a complete educational pathway for students, while ensuring coherence with existing education/qualifications norms and conditions.

Milestone #470 is the first milestone of reform C15 R.4 followed by target #471, which has the objective of increasing to 40% the share of students enrolled in the professional route as a share of the student population enrolled in secondary education. The reform has a final expected date for implementation in Q2 2026.

**Evidence provided:**

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 Emergency Ordinance No. 128/2022 of 23 September for the amendment and completion of the National Education Law No. 1/2011, published in the Official Journal No. 941 on 26 September 2022 (hereinafter referred to as "the Government Emergency Ordinance");
- iii. Copy of Ministerial Order No. 5732/2022 of 29 September for the approval of the Methodology for the organisation and operation of dual education, published in the Official Journal No. 981 on 10 October 2022 (hereinafter referred to as "Ministerial Order No. 5732/2022");
- iv. Copy of the Annex to Ministerial Order No. 5732/2022 of 29 September for the approval of the Methodology for the organisation and operation of dual education, published in the Official Journal No. 981 Bis on 10 October 2022 (hereinafter referred to as "the Annex");
- v. Copy of Ministerial Order No. 5442/2022 of 26 September amending the Framework Methodology for the Organisation and Procedure for admission to dual education for professional qualification level 3, according to the National Qualifications Framework, approved by Ministerial Order No. 3556/2017, published in the Official Journal No. 1018 on 19 October 2022 (hereinafter referred to as "Ministerial Order No. 5442/2022");
- vi. Copy of Ministerial Order No. 5733/2022 of 29 September approving the Methodology for Access, Organisation and Procedure for admission to dual education for professional qualification level 4, according to the National Framework of Qualifications, published in the Official Journal No. 979 on 7 October 2022 (hereinafter referred to as "Ministerial Order No. 5733/2022");
- vii. Copy of Ministerial Order No. 5734/2022 of 29 September approving the Methodology for Access, Organisation and Procedure for admission to dual education for professional qualification level 5, according to the National Framework of Qualifications, published in the Official Journal No. 1027 on 21 October 2022 (hereinafter referred to as "Ministerial Order No. 5734");
- viii. Copy of Law No. 198/2023 of 4 July on pre-university education, published in the Official Journal No. 613 on 5 July 2023;
- ix. Copy of Law No. 199/2023 of 4 July on higher education, published in the Official Journal No. 614 on 5 July 2023.

**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 approving the Methodology for organizing the complete dual route and the new qualifications resulting from the complete dual route. Furthermore, in line with the description of the measure, the reform shall consist of: - Entry into force of the legislative framework with the methodology for organizing the complete dual route with a duration of 4 years, with access to tertiary education starting with school year 2023-2024.**

In order to allow for the creation of higher dual education at university level and therefore for a complete dual education route, the Romanian authorities amended and supplemented Articles 116, 129, 137 and 141 of the National Education Law No. 1/2011 through Government Emergency Ordinance No. 128/2022. This Emergency Ordinance entered into force on the same date of its publication in the Official Journal No. 941 on 26 September 2022, in line with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts, and provides for the extension of the dual education pathway to include also higher dual education at university level. The Government Emergency Ordinance was complemented by Ministerial Order No. 5732/2022 laying out the Methodology for the organisation and functioning of dual education.

The Council Implementing Decision required the entry into force of a Government Decision approving the Methodology for organizing the complete dual route and the new qualifications resulting from the complete dual route. However, the Romanian authorities adopted Ministerial Order No. 5732/2022 laying out the Methodology for the organisation and functioning of dual education. This Ministerial Order was published in the Official Journal No. 981 on 10 October 2022, and entered into force on the same date of its publication in the Official Journal, in line with Article 12 (3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. The Ministerial Order establishes in Article 1 of the Annex, which forms an integral part of this Ministerial Order, that the methodology governs the organisation and functioning of dual education up to doctorate's degree level, detailing the general organisation of dual education both at pre-university level (partnerships with economic operators (Articles 7-16), practical modalities and class organisation (Articles 24 and 25), specific conditions per each qualification level from level 3 to level 5 (Articles 36-51)) and at higher university level (Articles 60-76). The Ministerial Order also sets our provisions related to access requirements and admission to dual education for professional qualification levels 4 and 5, as explained below. Ministerial Orders 5733/2022 and 5734/2022 of 29 September approving the Methodology for Access, Organisation and Procedure for admission to dual education for professional qualification levels 4 and 5, respectively according to the National Framework of Qualifications establish that the students that followed a dual education pathway and obtained a level 3 qualification can continue their dual education studies and obtain a qualification of level 4 or 5, and provide further details regarding the access requirements for levels 4 and 5 of qualification, as explained below. These Ministerial Orders were published in the Official Journal No. 979 on 7 October 2022 and in the Official Journal No. 1027 on 21 October 2022 respectively and entered into force on the same date of their publication in the Official Journal, in line with Article 12 (3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. Ministerial Order No. 5442/2022 of 26 September amending the Framework Methodology for the Organisation and Procedure for admission to dual education for professional qualification level 3, according to the National Qualifications Framework, approved by Ministerial Order No. 3556/2017 makes limited changes related to the admission procedure. This Ministerial Order was published in the Official Journal No. 1018 on 19 October 2022 and entered into force on the same date of its publication in the Official Journal, in line with Article 12 (3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Therefore, the methodology for organizing the complete dual route was adopted by Ministerial Order 5732/2022, and complemented by Ministerial Order No. 5442/2022, Ministerial Order No. 5733/2022 and Ministerial Order No. 5734/2022. Whilst this constitutes a minimal formal deviation

from the requirement of the Council Implementing Decision, Ministerial Order No. 5732/2022, Ministerial Order No. 5442/2022, Ministerial Order No. 5733/2022 and Ministerial Order No. 5734/2022 constitute legally binding documents and achieve in full the scope of the measure which is ensuring a complete educational pathway for students registered under dual secondary and third level education programmes. Furthermore, the approval of the Methodology through Ministerial Order was done in line with the applicable legislation. In particular, the legal framework which outlines the approval of the framework through a Ministerial Order is Article 25(6) of the National Education Law No. 1/2011, in force at the time of the adoption of Ministerial Order 5732/2022, which foresees that the organisation and functioning of dual education, access to dual education, the duration and content of vocational training programmes are regulated by specific methodologies approved by orders of the Minister of National Education. Similar provisions are found in Law No. 198/2023 on pre-university education, which entered into force at the time of its publication in the Official Journal No. 613 on 5 July 2023 and in Law No. 199/2023 on higher education, which entered into force at the time of its publication in the Official Journal No. 614 on 5 July 2023 and which replaced National Education Law No. 1/2011. Article 35(10) of Law No. 198/2023 on pre-university education foresees that the organisation, operation and access to dual secondary school education, the duration and content of vocational training programmes, the framework partnership contract, the individual practical training contract, the mode of organisation and the conduct of the qualification certification examination are regulated by specific methodologies approved by order of the Minister of Education, and Article 93 of Law No. 199/2023 on higher education foresees that dual higher education is organised for short cycles, first cycle, cycle II and cycle III, professional PhD according to a methodology approved by order of the Minister of Education. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The Council Implementing Decision required the entry into force of the legislative framework with the methodology for organizing the complete dual route with a duration of 4 years, with access to tertiary education, starting with school year 2023-2024. However, the legislative framework providing access to tertiary education adopted by the Romanian authorities is applicable starting with school year 2025-2026. Article 34 of Ministerial Order No. 5733/2022 and Article 35 of Ministerial Order No. 5734/2022 foresee that these provisions are applicable starting with the generation of future graduates of dual education of 3 years registered in ninth grade in school year 2022-2023, which means that they are applicable starting with school year 2025-2026. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the possibility to obtain a level 4 qualification and then access tertiary education was introduced for the first time to the generation of students who started their dual education in school year 2022-2023, and will graduate in school year 2024-2025. This delay is linked to the complexity and scope of the comprehensive educational reform undertaken by the Romanian authorities, which included the adoption and entry into force in 2023 of the new education laws, Law No.198 and Law No.199. Article 248(17) of Law No. 198/2023 on pre-university education foresees that starting with school year 2025-2026 the technical and professional education with a duration of 3 years (including dual education) is to be reorganized within technological high schools, which opens the possibility for students in dual education to obtain a level 4 qualification in 4 years. Furthermore, the application of the legislative framework starting from 2025-2026 does not change the nature of the measure and does not affect the progress towards the achievement of the reform that this milestone represents. By initiating the application of the new legislative framework in the 2025-2026 school year, the Romanian authorities are prioritizing the delivery of a well-designed dual education system and ensure the transition to tertiary education of the students who began their dual education in the 2022-2023 school year under the new laws. This approach ensures that the first cohort of students under the new framework who will have completed their 3 years of dual education will have the possibility to obtain a level 4 qualification, thus fulfilling the reform's



objective to ensure a complete educational pathway for students registered under dual secondary education, allowing them to advance to third level education programmes. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents.

On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The new methodology shall:**

**Aim to improve educational outcomes in vocational and educational training (VET).**

**Ensure a complete educational pathway<sup>5</sup> for students registered under dual secondary and third level education programmes (Qualification 3-7). Furthermore, in line with the description of the measure, the legislative framework for organizing the complete dual education route shall enter into force by 30 September 2022.**

The Council Implementing Decision states that the new methodology shall aim to improve educational outcomes in vocational and educational training (VET). Romania's Recovery and Resilience Plan (component 15, page 53) provides contextual information showing that the objective of reform C15.R4, which includes milestone 470 under assessment, is to develop dual education with a higher number of areas, qualifications and graduates covered to align VET with the labour market needs and increase its attractiveness. It is stated that the effects of the reform will be, amongst others, a rapid insertion on the labour market for VET graduates, as also stated in the description of the measure in the CID, which clarifies that the objective of this reform is to develop dual education aligned with labour market needs. In light of the purposive interpretation of this requirement from the Council Implementing Decision, the improvement of the educational outcomes in vocational and educational training (VET) is interpreted as requiring that the methodology aligns vocational and educational training (VET) with the labour market needs and increase their attractiveness. Article 2 of the Annex to the Ministerial Order No. 5732/2022 approving the Methodology for the organisation and operation of the dual education foresees that through dual education "Key competences are developed in the context of professional training, in support of successful integration into the labour market, while fostering further education and lifelong learning". Dual education is an integral part of the VET and therefore updating the legislative framework to allow a better regulation of dual education taking into consideration both the needs of the students and the labour market demands contributes to improving educational outcomes in VET by providing learners with essential skills and enhancing their employability. As such, it is concluded that the aim of the methodology was to improve educational outcomes in VET, for the achievement of which the Romanian authorities have adopted various pieces of legislation ensuring a complete educational pathway for dual education, including access to higher dual education. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The Council Implementing Decision required that the new methodology approved by Government Decision shall ensure a complete educational pathway for students registered under dual secondary and third level education programmes (Qualification 3-7). However, the Romanian authorities have adopted multiple pieces of legislation to ensure a complete educational pathway for dual education students. First, the procedural and structural elements necessary in this regard have been adopted through Government Emergency Ordinance No. 128/2022, amending and completing National Education Law No. 1/2011, which ensures a full dual education pathway by establishing dual tertiary

---

<sup>5</sup> In what follows, the terms "complete educational pathway (for dual education)" and "complete dual (education) route" are used interchangeably.

(university) education programmes (paragraphs 2-7 of the sole article). Second, Ministerial Order No. 5732/2022 approves the Methodology for the organisation and operation of the dual education and establishes that the methodology “governs the organisation and functioning of dual education for professional qualifications at levels 3, 4, 5, 6, 7 and 8, as established in accordance with the National Qualifications Framework”, regulating dual education up to Doctorate’s degree programmes (level 8). Article 2 of the Annex to the Ministerial Order defines the scope of dual education, which is the organisation “for the acquisition of knowledge, skills and competences, predominantly for employment, for professional qualifications at levels 3, 4, 5, 6, 7 and 8”. Third, the aforementioned pieces of legislation were complemented by Ministerial Order No. 5442/2022, Ministerial Order No. 5733/2022 and Ministerial Order No. 5734/2022. These Ministerial Orders cover the access and admission requirements to levels 3 to 5 of qualifications, including registration procedures and eliminatory and admission tests, therefore ensuring rules on transparency for students entering and progressing in the dual education system. The access to tertiary dual education is covered in Article 72 of the Annex to Ministerial Order No. 5732/2022 which foresees that the access to tertiary dual education of high school graduates with a bacculaureate diploma is to be carried out in accordance with own methodologies of the higher education institutions, developed on the basis of the Framework Methodology for admission in tertiary cycles. Fourth, both Law No. 198/2023 on pre-university education, and Law No. 199/2023 on higher education, which replaced National Education Law No. 1/2011, maintained and developed the provisions regarding dual education (full dual route), consortia for dual education and integrated professional campuses. In this regard, Law No. 198/2023 includes ‘Section V Technological pre-university education in dual system’, and Law No. 199/2023 includes ‘Chapter X Dual higher education’.

Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the Government Emergency Ordinance No. 128/2022 and Ministerial Order No. 5732/2022, Ministerial Order No. 5442/2022, Ministerial Order No. 5733/2022 and Ministerial Order No. 5734/2022 constitute legally binding documents and achieve in full the scope of the measure which is ensuring a complete educational pathway for students registered under dual secondary and third level education programmes. In order to ensure a complete dual education pathway, it was necessary to first complete the National Education Law 1/2011 with provisions regarding higher dual education at university level, because this form of education was previously not foreseen in the Romanian education system. Consequently, Romania undertook a complete reform of its education system and Law 1/2011 was replaced in 2023 by Law No. 198/2023 on pre-university education and Law No. 199/2023 on higher education. Additionally, the approval of the Methodology through Ministerial Order was done in line with the applicable legislation. In particular, the legal framework which outlines the approval of the Methodology through a Ministerial Order was at the time of their approval Article 25(6) of the National Education Law No. 1/2011 which foresees that the organisation and functioning of dual education, access to dual education, the duration and content of vocational training programmes are regulated by specific methodologies approved by orders of the Minister of National Education. Similar provisions are found in Article 35(10) of Law No. 198/2023 on pre-university education and in Article 93 of Law No. 199/2023 on higher education, which replaced National Education law No. 1/2011. These provisions are applicable also for Ministerial Order No. 5442/2022, Ministerial Order No. 5733/2022 and Ministerial Order No. 5734/2022. Therefore, the legislative changes made by Romania set out a robust and structured framework that provides a complete educational pathway for students registered under dual secondary and third level education programmes (Qualification 3-7). As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

With respect to ensuring the complete dual educational pathway for students registered under dual secondary and third level education programmes (Qualification 3-7), the Government Emergency

Ordinance amends and supplements Articles 116, 129, 137, and 141 of the National Education Law No. 1/2011. Article 116 allows accredited higher education institutions to organise dual education together with economic operators such as companies, foundations, associations, or chambers of commerce, thereby sharing the responsibilities over learning, teaching and evaluation activities and aligning them with labour market requirements. Article 129 allows higher education institutions to establish, alone or through association, dual education consortia as long as the formed partnerships contribute to improving the performance of the institution and do not adversely affect educational activities. Article 129, paragraphs 2.1 to 2.5, details the collaboration conditions, rights, obligations and costs of the partnership contract, as well as the possibility of establishing grants. Article 137 (paragraphs 2.1 and 2.2) cover the content of the curriculum for dual education, including work-based learning activities and the issuance of respective certificates after the completion of the studies. Article 137 paragraph 4.1 describes the necessary achievements to allow for a transition from to cycles I (Bachelor's degree programmes), II (Master's degree programmes) and III (Doctorate's degree programmes). Article 141 paragraph 2.2 provides with further requirements on cycle III, together providing a complete pathway for dual education.

Furthermore, Ministerial Order No. 5732/2022 approves the Methodology for the organisation and operation of the dual education, developed in the Annex which forms integral part of this Ministerial Order, and, as explained above, was adopted on the basis of Article 25(6) of the National Education Law No. 1/2011. As explained above, Article 1 of the Annex to Ministerial Order No. 5732/2022 establishes that the methodology "governs the organisation and functioning of dual education for professional qualifications at levels 3, 4, 5, 6, 7 and 8, as established in accordance with the National Qualifications Framework", regulating dual education up to Doctorate's degree programmes (level 8), whereas Article 2 of the Annex defines the scope of dual education, which is the organisation "for the acquisition of knowledge, skills and competences, predominantly for employment, for professional qualifications at levels 3, 4, 5, 6, 7 and 8.". Articles 40-42 of the Annex to Ministerial Order No. 5732/2022 refer to access requirements for level 4 qualification which are further detailed in Ministerial Order No. 5733/2022 approving the Methodology for Access, Organisation and Procedure for admission to dual education for professional qualification level 4. Articles 46-48 of the Annex to Ministerial Order No. 5732/2022 cover access requirements for level 5 qualification which are further detailed in Ministerial Order No. 5734/2022 approving the Methodology for Access, Organisation and Procedure for admission to dual education for professional qualification level 5. Additionally, Article 72 of the Annex to Ministerial Order No. 5732/2022 foresees that the admission to tertiary dual education of high school graduates with a baccalaureate diploma is to be carried out in accordance with own methodologies of the higher education institutions, developed on the basis of the Framework Methodology for admission in tertiary cycles. Through this legislative framework, it is ensured that a complete dual route with a duration of minimum 4 years is set up in Romania, as established by Article 58 of the Annex to Ministerial Order No. 5732/2022, which foresees that graduates of dual education obtaining a level 3 qualification can continue their studies to obtain a level 4 qualification and Article 59 of the Annex to Ministerial Order No. 5732/2022, which foresees that graduates of dual education obtaining a level 4 qualification can continue their studies to obtain a level 5 qualification. These articles are to be read in conjunction with Article 3 of the Annex to Ministerial Order No. 5733/2022 which foresees that dual education for level 4 qualification can be of 2 or 3 year and is organised after 11<sup>th</sup> grade of professional and dual education of level 3 (with a duration of 3 years) and with Article 3 of the Annex to Ministerial Order No. 5734/2022 which foresees that dual education for level 5 qualification has a duration of 1-3 years.

Furthermore, the Annex to Ministerial Order No. 5732/2022 sets up a complete pathway for dual education, referring to the cycles I-III in line with the Government Emergency Ordinance. Article 60 of the Annex regulates the organisation of dual higher education: "Dual education shall be organised in accredited state, private or denominational higher education institutions on the basis of a

partnership contract". Articles 62 et seq. regulate the specifics of the partnership contract. Finally, Articles 68 et seq. regulate the new qualifications resulting from the complete dual route. The Ministerial Order and its Annex provide clarity on the scope of dual education and address the organisation of dual higher education, including the formation of partnerships with economic operators and the issuance of qualifications, in line with the Government Emergency Ordinance.

The Council Implementing Decision required that the legislative framework for organizing the complete dual education route shall enter into force by 30 September 2022. The Romanian authorities adopted Ministerial Order No. 5732/2022 laying out the Methodology for the organisation and functioning of dual education. This Ministerial Order was published in the Official Journal No. 981 on 10 October 2022, and entered into force on the same date of its publication in the Official Journal, in line with Article 12 (3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. This Ministerial Order was complemented by three other Ministerial Orders which govern the entry requirements for level 3, 4 and 5 professional qualifications. Ministerial Order No. 5442/2022 of 26 September 2022 amending the Framework Methodology for the Organisation and Procedure for admission to dual education for professional qualification level 3, according to the National Qualifications Framework, approved by Ministerial Order No. 3556/2017, was published in the Official Journal No. 1018 on 19 October 2022 and entered into force on the same date of its publication in the Official Journal, in line with Article 12 (3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. Ministerial Order No. 5733/2022 of 29 September 2022 approving the Methodology for Access, Organisation and Procedure for admission to dual education for professional qualification level 4, according to the National Framework of Qualifications was published in the Official Journal No. 979 on 7 October 2022 and entered into force on the same date of its publication in the Official Journal, in line with Article 12 (3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. Ministerial Order No. 5734/2022 of 29 September 2022 approving the Methodology for Access, Organisation and Procedure for admission to dual education for professional qualification level 5, according to the National Framework of Qualifications was published in the Official Journal No. 1027 on 21 October 2022 and entered into force on the same date of its publication in the Official Journal, in line with Article 12 (3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. ]. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the legislative framework entered into force by the time of the assessment.

**Ensure the correspondence between the National Qualification Framework levels, the acts of education/qualification to be issued, the type of vocational education and training programmes in Romania through which qualification levels may be achieved, the reference levels of the European Qualifications Framework, as well as the conditions of access corresponding to each level of qualification.**

According to Article 57 of the Annex to Ministerial Order 5732/2022, dual school graduates take a qualification certification examination. Those who pass the examination acquire a certificate of professional qualification for levels 3, 4 or 5 according to the National Qualifications Framework and the descriptive certificate supplement according to Europass.

In accordance with Article 62 (2) of the Annex, the dual higher education curriculum contains learning, teaching and work-based learning activities, as well as assessment. The workload specific to learning, teaching, and learning through work activities is equally shared. The workload is estimated in accordance with the European Credit Transfer and Accumulation System (ECTS), so the students obtain transferable study credits.

Article 36 (3), Article 43(1) and Article 49 (1) of the Annex regulate the organisation of the dual

education for levels 3, 4 and respectively 5 stipulating that dual education can be organised only in schools accredited to provide professional training for the respective level in accordance with the National Register of Qualifications and that detailed conditions to go to a higher qualification level are established in specific methodologies approved by Ministerial Orders. According to Article 25 of the Annex, the access conditions for students in dual education for qualification level 3, 4, and 5 is regulated by the specific access requirements, elaborated in conformity with the National Qualifications Framework and detailed in Ministerial Order 5442/2022, Ministerial Order No. 5733/2022 and Ministerial Order No. 5734/2022 respectively. Article 72 of the Annex foresees that the admission to tertiary dual education of high school graduates with a baccalaureate diploma is to be carried out in accordance with own methodologies of the higher education institutions, developed on the basis of the Framework Methodology for admission in tertiary cycles. Furthermore, according to Article 74 of the Annex, the Romanian Quality Assurance Agency for Higher Education (ARACIS)<sup>6</sup> develops standards specific to each course of university studies in dual higher education, and higher education institutions may organise admission to dual higher education once their proposed study programmes are evaluated by ARACIS or another agency listed in the European Quality Assurance Register for Higher Education (EQAR).

The Council Implementing Decision requires that the new methodology shall ensure a correspondence between the National Qualification Framework levels, the acts of education/qualification to be issued, the type of vocational education and training programmes in Romania through which qualification levels may be achieved and the reference levels of the European Qualifications Framework. As detailed above, Article 57 of the Annex to Ministerial Order 5732/2022 regulates the evaluation and certification of dual education for levels 3, 4 and 5 according to the National Qualification Framework, which is aligned with the European Qualification Framework. The national certificates for these levels include a Europass supplement that describes the purpose of the qualification, its level, its learning outcomes and information on the relevant education system. Article 62(2) of the Annex regulates the evaluation of dual higher education of levels 6-8 and establishes that the European Credit Transfer and Accumulation System (ECTS) is applicable.

The Council Implementing Decision also requires that the new methodology shall ensure the conditions of access corresponding to each level of qualification. Articles 40-42 of the Annex to Ministerial Order No. 5732/2022 refer to access requirements for level 4 qualification which are further detailed in Ministerial Order No. 5733/2022 approving the Methodology for Access, Organisation and Procedure for admission to dual education for professional qualification level 4. Articles 46-48 of the Annex to Ministerial Order No. 5732/2022 cover access requirements for level 5 qualification which are further detailed in Ministerial Order No. 5734/2022 approving the Methodology for Access, Organisation and Procedure for admission to dual education for professional qualification level 5. Additionally, Article 72 of the Annex to Ministerial Order No. 5732/2022 foresees that the admission to tertiary dual education of high school graduates with a baccalaureate diploma is to be carried out in accordance with own methodologies of the higher education institutions, developed on the basis of the Framework Methodology for admission in tertiary cycles.

On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

---

<sup>6</sup> ARACIS is a full member of the European Association for Quality Assurance in Higher Education (ENQA) and it is registered in the European Quality Assurance Register for Higher Education (EQAR).

<b>Number: 489</b>	<b>Related Measure: Provision of facilities for pre-university classrooms and school science laboratories/school cabinets</b>	
<b>Name of the Milestone:</b> Signature of financing contracts for fitting classrooms with furniture		
<b>Qualitative Indicator:</b> Signature of financing contracts for fitting classrooms with furniture		<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>The aim of this investment is to provide through a decentralised approach schools with the necessary equipment to meet quality standards in schools prioritising educational establishments with no such investments in the last 5 years.</p> <p>Milestone #489 requires financing contracts signed for equipping classrooms from the pre-university schools, county centres for resources and educational assistance and extracurricular educational units in the school network with furniture.</p> <p>Milestone #489 is the first step of the implementation of the investment and it is followed by milestone #490, in this payment request, related to the signature of financing contracts for equipping the science laboratories and school cabinets. It will be followed by target #491 related to reaching 75 000 pre-university classrooms fitted with furniture, respectively 10 000 science and school cabinets equipped.</p> <p>The investment has a final expected date for implementation in Q2 2024.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Copy of the Ministerial Order No. 6423 of 19 December 2022 on the approval of the Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", that entered into force on the same date.</li> <li>iii. Copy of the Ministerial Order No. 3674 of 14 February 2023 amending Ministerial Order No. 6423 of 19 December 2022 for the approval of the Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", which entered into force on the same date.</li> <li>iv. Copy of the Ministerial Order No. 3848 of 14 March 2023 amending Ministerial Order No. 6423 of 19 December 2022 for the approval of the Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", that entered into force on the same date.</li> <li>v. Copy of the Ministerial Order No. 4301 of 22 May 2023 amending Ministerial Order No. 6423 of 19 December 2022 for the approval of the Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", that entered into force on the same date.</li> <li>vi. Copy of the Ministerial Order No. 4901 of 27 June 2023 amending Ministerial Order No.</li> </ol>		

6423 of 19 December 2022 for the approval of the Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", that entered into force on the same date.

- vii. Copy of the publication of the call for projects to award grants for equipping the classrooms of the pre-university schools, county centres for resources and educational assistance and extracurricular educational units from the school network, showing that the competition is open for applications, published on the website of the Ministry of Education on 19 December 2022.
- viii. Copy of the Applicant's guide and Annexes, published on the Ministry of Education's website, dated 19 December 2022 and 14 February 2023.
- ix. Document No. 1061/DGIPRE including the justification that the Ministry of Education made recommendations to the beneficiaries on the technical specifications of the call, dated 23 April 2024
- x. Document No. 472/DGIPRE issued by the Ministry of Education justifying that priority has been given to educational establishments which had not benefitted from this type of investment in the last five years dated 28 February 2024.
- xi. A list of all contracts signed with all beneficiaries, including official references of the signed contracts, issued by the Ministry of Education and dated 24 April 2024.
- xii. Copy of the Ministerial Order No. 4474 of 14 June 2023 approving the list of selected projects for the call for applications and the list of selected projects.
- xiii. Copy of the Implementation Agreement No. 9466 of 07 April 2023, signed between the Ministry of Education and the Executive Unit for Financing Higher Education Research Development and Innovation (UEFISCDI).

On the basis of a sample, selected by the Commission, the following documentary evidence was provided for each of the units selected:

- xiv. A list of the 60 signed contracts with all beneficiaries in the sample, including official references of the signed contracts, issued by the Ministry of Education and dated 13 March 2024.
- xv. Copy of the 60 signed grant contracts between the Executive Unit for Financing Higher Education, Research, Development and Innovation ('UEFISCDI') and the local public authorities.
- xvi. Extract of the relevant parts of the technical specifications of the project proving alignment with the description of the milestone and of the description of the investment in the CID, dated 13 March 2024 and issued by the Ministry of Education.

**Analysis:**

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

**Signature of financing contracts for equipping the classrooms of the pre-university schools, county centres for resources and educational assistance and extracurricular educational units from the school network on the basis of the minimum standards for equipping classrooms/laboratories/school workshops.**

On 19 December 2022 the Ministry of Education launched on its website a competitive call for applications to select the educational establishments to receive grants for equipping classrooms with furniture, as approved by the Ministerial Order No. 6423 and its subsequent amendments (supporting evidence ii.-vi.). Following the evaluation process, 2 537 projects were selected, approved and published in the Annex of the Ministerial Order No. 4474 of 14 June 2023. Based on this list, 2 483 contracts for fitting classrooms with furniture were concluded.

These contracts were concluded with pre-university schools, county centres for resources and

educational assistance and extracurricular educational units from the school network as specified under points a), b) and f) in the Definitions section (page 7) and section 1.5 - Eligible beneficiaries (page 15) of the Applicant's guide.

In section 1.4 – Eligible activities (page 14) and section - Scope of the call (page 6) of the Applicant's guide, it is established that procurement procedures have to comply with the minimum standards for equipping learning environments including for classrooms, which would subsequently have to be included in the technical specifications of the tenders. Furthermore, Article 6(1) of the signed financing contracts specifies that expenses would only be considered eligible if they complied with the conditions set out in the Applicant's guide and in the applicable legislation, including compliance with the technical standards.

The Ministry of Education delegated the responsibilities to carry out the evaluation, selection, contracting and monitoring activities to the Executive Unit for Financing Higher Education Research Development and Innovation ('UEFISCDI') based on the Implementation Agreement No. 9466 of 7 April 2023. UEFISCDI therefore signed the contracts with the selected grant applicants.

**In order to ensure their consistency, the Ministry of Education shall make recommendations to beneficiaries on the technical specifications to be included in the specifications.**

The Ministry of Education recommended to the beneficiaries that the procurements be done on the basis of the minimum standards for equipping classrooms with furniture and be included in the technical specification of the tenders. These minimum standards were specified in the Objective of the call section (page 6 and page 10) of the Applicant's guide, where the list of the Ministerial Orders approving the minimum standards in schools was provided. Furthermore, the Ministerial Orders were included as Annexes 12 – 18 of the Applicant's guide. The reference and compliance with these minimum standards for equipping learning environments, including for classrooms, is also mentioned in section 1.4 – Eligible activities (page 14) and section 2.4 - Eligible costs (page 26) of the Applicant's guide. Moreover, the guide specified on page 11 that the technical specifications provided in its annexes were minimal requirements, representing the level from which it was advisable to start the procurements, so that the investments made would have a lasting impact and would be fit for the educational purposes intended. The authorities also provided explanatory document No. 1061/DGIPRE of 23 April 2024 explaining that by establishing minimum standards for equipping learning environments which were horizontally applicable to all beneficiaries, a higher level of compliance with the minimum standards was ensured, as opposed to following recommendations, which by nature are not binding.

**Priority shall be given to educational establishments which had not benefitted from this type of investment in the last 5 years.**

The Council Implementing Decision required that priority shall be given to educational establishments which had not benefitted from this type of investment in the last five years.

The Applicant's guide specifies according to its section 1.4 - Eligible activities (page 12 and page 14) that funds are to be allocated with priority to schools that did not make such investments for purchasing furniture for classrooms in the last five years. The authorities further explained in justification Document No. 472/DGIPRE of 28 February 2024 that following the submission of the projects and after the assessment of the applications received, financing contracts were signed for all approved projects. This explanation from the authorities is confirmed by the list of projects selected for funding and of contracts signed. The signed contracts account for 85 451 classrooms, including those classrooms in the educational establishments that had not benefitted from this type of investments in the last five years. All educational establishments which had not benefitted from this type of investment in the last five years, and which applied for funding signed financing contracts. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, by providing support to all approved projects, the authorities enabled a greater number of schools to upgrade their infrastructure, ultimately benefitting a larger



number of students and improving the overall quality of education. Therefore, the authorities' approach ensured a more comprehensive implementation of the investment and achieved the objective of the investment, which is to provide the necessary facilities to meet quality standards in classrooms. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of this milestone is satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **the provision of the necessary facilities for classrooms [...] shall be carried out on a decentralised basis at school level, county school inspectorates and local public authorities.**

Page 14 of the Applicant's guide specified that the investment is to be implemented using a decentralised approach. Each educational establishment requesting funds must provide an analysis of its endowment needs, approved by the responsible County School Inspectorate and guaranteed by the local authorities (pages 5 and 6 of the Applicant's guide). The Ministry of Education has the obligation to register the evidence, based on the information reported by the County School Inspectorates, of all procurement procedures.

The local authorities, as eligible beneficiaries, must submit a single application to receive funds for the endowment of the pre-university educational units they administer according to section 1.5 – Eligible beneficiaries of the Applicant's guide (page 15). At the end of the implementation process, the ownership rights for the equipment purchased by the local authorities is to be transferred to the educational and related units as reflected in the Applicant's guide (page 17) and in the signed contracts.

The milestone is further specified in the Operational Arrangements, which require **that the minimum standards for equipping classrooms with furniture shall comply with the applicable legal/normative act.**

The minimum standards for equipping school science laboratories and school cabinets are defined in the following legal/normative acts:

- the design, construction and operation of schools, including minimum and recommended requirements for different facilities such as classrooms, laboratories and workshops, sports and recreational facilities in terms of technical specifications of the equipment (like desks, chairs) or the arrangements of the equipment within these facilities, as provided by Ministerial Order No. 1203 of 16 June 2022 on the approval of the technical regulation "Standard for the design, construction and operation of buildings for schools and high schools, indicative NP 010-2022;
- the minimum equipment required per each type of discipline to ensure quality education for grades V to VIII such as teachers' or pupils' desks, chair, storage furniture, as required by Ministerial Order No. 4142 of 29 June 2022 on the approval of the minimum equipment norm for classes V-VIII;
- the standards for the minimum endowment with furniture and equipment for early childhood education for children aged 0 to 6 years such as desks, chairs, beds, drawers, bookcase, as detailed in the Ministerial Order No. 4143 of 29 June 2022 on the approval of the Standards for teaching-learning materials in early education and the Norm of minimum endowment for early education services of children from birth to 6 years;
- the minimum endowment standards for primary education such as pupils' desks, chair, storage furniture, bookcase, as provided for by Ministerial Order No. 4144 of 29 June on the approval of the norm of minimum endowment for primary education.

The above-mentioned legislation approving the minimum standards was included as Annexes 12 – 18 of the Applicant's guide, as approved by Ministerial Order No. 6423 of 19 December 2022 with subsequent amendments. According to the provisions on page 6 of the Applicant's guide, when launching the tenders, all procurements' technical specifications must be based on the

aforementioned minimum standards for equipping schools. Furthermore, Article 6 of the contracts concluded with the beneficiaries states that for costs to be considered eligible they need to comply with the conditions set in the Applicant’s guide and in the applicable legislation, also regarding compliance with the technical standards.

Romania provided evidence for a sample of 60 units, in particular copies of the signed contracts between the grant beneficiary and UEFISCDI, concluded between July 2023 and January 2024 as well as the relevant parts of the technical specifications of the projects and their alignment with the requirements in the description of the milestone including as regards the minimum standards and the type of equipment to be purchased. The evidence provided for a sample of 60 units confirmed that the requirements of the milestone have been met:

- The beneficiaries were among pre-university schools, county centres for resources and educational assistance and extracurricular educational units from the school network and their projects include the purchase of furniture for classrooms.
- All contracts contain provisions (Article 5(22) and Article 6(1)) requiring beneficiaries to comply with the provisions in the Applicant’s guide and the applicable legislation, including that incurred cost would only be eligible if technical standards had been adhered to.

The beneficiaries of the contracts were among those on the list of selected projects under the call for applications of this investment. Each contract specified the conditions for awarding the grant and had annexed the project proposal.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 490	<b>Related Measure: Provision of facilities for pre-university classrooms and school science laboratories/school cabinets</b>	
<b>Name of the Milestone:</b> Signature of financing contracts for equipping school science laboratories/school cabinets		
<b>Qualitative Indicator:</b> Signature of financing contracts for equipping school science laboratories/school cabinets signed		<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>The aim of this investment is to provide through a decentralised approach schools with the necessary equipment to meet quality standards in schools prioritising educational establishments with no such investments in the last 5 years.</p> <p>Milestone #490 requires financing contracts signed for equipping with furniture, materials and equipment for didactic use the science laboratories/school cabinets from the pre-university schools, county centres for resources and educational assistance and extracurricular educational units in the school network.</p> <p>Milestone #490 is the second milestone of the investment and follows milestone #489, in this payment request, related to the signature of financing contracts for equipping classrooms with furniture. It will be followed by target 491 related to reaching 75 000 pre-university classrooms fitted with furniture, respectively 10 000 science and school cabinets equipped. The investment has a final expected date for implementation in Q2 2024.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>Copy of the Ministerial Order No. 6423 of 19 December 2022 for the approval of the</li> </ol>		

Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", which entered into force on the same date.

- iii. Copy of the Ministerial Order No. 3674 of 14 February 2023 amending Ministerial Order No. 6423 of 19 December 2022 for the approval of the Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", which entered into force on the same date.
- iv. Copy of the Ministerial Order No. 3848 of 14 March 2023 amending Ministerial Order No. 6423 of 19 December 2022 for the approval of the Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", which entered into force on the same date.
- v. Copy of the Ministerial Order No. 4301 of 22 May 2023 amending Ministerial Order No. 6423 of 19 December 2022 for the approval of the Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", which entered into force on the same date.
- vi. Copy of the Ministerial Order No. 4901 of 27 June 2023 amending Ministerial Order No. 6423 of 19 December 2022 for the approval of the Applicant's guide for launching the call for projects financed from the National Recovery and Resilience Plan "Endowment of pre-university and related establishments with furniture, teaching materials and digital equipment", which entered into force on the same date.
- vii. Copy of the publication of the call for projects to award grants for equipping the classrooms of the pre-university schools, county centres for resources and educational assistance and extracurricular educational units from the school network, showing that the competition is open for applications, published on the website of the Ministry of Education on 19 December 2022.
- viii. Copy of the Applicant's guide and Annexes, published on the Ministry of Education's website, dated 19 December 2022 and 14 February 2023.
- ix. Document No. 1062/DGIPRE including the justification that the Ministry of Education made recommendations to the beneficiaries on the technical specifications of the call, dated 23 April 2024.
- x. Document No. 473/DGIPRE issued by the Ministry of Education justifying that priority has been given to educational establishments which had not benefitted from this type of investment in the last five years dated 28 February 2024.
- xi. A list of all contracts signed with all beneficiaries, including official references of the signed contracts, issued by the Ministry of Education and dated 24 April 2024.
- xii. Copy of the Ministerial Order No. 4474 of 14 June 2023 approving the list of selected projects for the call for applications and the list of selected projects.
- xiii. Copy of the Implementation Agreement No. 9466 of 07 April 2023, signed between the Ministry of Education and the Executive Unit for Financing Higher Education Research Development and Innovation (UEFISCDI).

On the basis of a sample, selected by the Commission, the following documentary evidence was provided for each of the units selected:

- xiv. A list of the 60 signed contracts with all beneficiaries in the sample, including official references of the signed contracts, issued by the Ministry of Education and dated 13 March 2024.
- xv. Copy of the 60 signed grant contracts between the Executive Unit for Financing Higher

Education, Research, Development and Innovation ('UEFISCDI') and the local public authorities.

- xvi. Extract of the relevant parts of the technical specifications of the project proving alignment with the description of the milestone and of the description of the investment in the CID, dated 13 March 2024 and issued by the Ministry of Education.

**Analysis:**

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

**Signature of financing contracts for equipping the science laboratories/school cabinets of the pre-university schools, county centres for resources and educational assistance and extracurricular educational units from the school network on the basis of the minimum standards for equipping classrooms/ laboratories/school cabinets.**

On 19 December 2022 the Ministry of Education launched on its website a competitive call for applications to select the educational establishments to receive grants for equipping science laboratories and school cabinets with furniture, materials and equipment for didactic use, as approved by the Ministerial Order No. 6423 and its subsequent amendments (supporting evidence ii.-vi). Following the evaluation process, 2 537 projects were selected, approved and published in the Annex of the Ministerial Order No. 4474 of 14 June 2023. Based on this list, 2 299 contracts for equipping the science laboratories/school cabinets with furniture, materials and equipment for didactic use were concluded.

As specified under points a), b) and f) in the Definitions section (page 7) and section 1.5 - Eligible beneficiaries (page 15) of the Applicant's guide, these contracts were concluded with pre-university schools, county centres for resources and educational assistance and extracurricular educational units from the school network.

In section 1.4 – Eligible activities (page 14) and section - Scope of the call (page 6) of the Applicant's guide, it is established that procurement procedures have to comply with the minimum standards for equipping learning environments, which would subsequently have to be included in the technical specifications of the tenders. Furthermore, section 2.4 – Eligible costs include the reference that for the incurred costs to be considered eligible, the furniture, materials and equipment for didactic use purchased for school laboratories and school cabinets would have to comply with the minimum standards reflected in the corresponding legislation. Article 6(1) of the signed financing contracts also specifies that expenses would only be considered eligible if they complied with the conditions set out in the Applicant's guide and in the applicable legislation, including compliance with the technical standards.

The Ministry of Education delegated the responsibilities to carry out the evaluation, selection, contracting and monitoring activities to the Executive Unit for Financing Higher Education Research Development and Innovation ('UEFISCDI'), based on the Implementation Agreement No. 9466 of 7 April 2023. UEFISCDI therefore signed the contracts with the selected grant beneficiaries. These contracts aimed to equip school laboratories dedicated to sciences, such as for physics, IT, chemistry, biology etc. and for school cabinets as dedicated environments for other compulsory disciplines such as languages, arts, history, geography, music or gymnasiums.

**In order to ensure their consistency, the Ministry of Education shall make recommendations to beneficiaries on the technical specifications to be included in the specifications.**

The Ministry of Education recommended to the beneficiaries that the procurements be done on the basis of the minimum standards for equipping learning environments, which must be included in the technical specification of the tenders. These minimum standards were specified in the Objective of the call section (page 6 and page 10) of the Applicant's guide, where the list of the Ministerial Orders approving the minimum standards in schools was provided. Furthermore, the Ministerial Orders were included as Annexes 12 – 18 of the Applicant's guide. The reference and compliance

with these minimum standards for equipping learning environments, including for science laboratories/school cabinets, is also mentioned to in section 1.4 – Eligible activities (page 14) and section 2.4 - Eligible costs (pages 26 - 27) of the Applicant’s guide. Moreover, the guide specified on page 11 that the technical specifications provided in its annexes were minimal requirements, representing the level from which it was advisable to start the procurements, so that the investments made would have a lasting impact and would be fit for the educational purposes intended. The authorities also provided explanatory document No. 1062/DGIPRE of 23 April 2024 explaining that by establishing minimum standards for equipping learning environments which were horizontally applicable to all beneficiaries, a higher level of compliance with the minimum standards was ensured, as opposed to following recommendations, which by nature are not binding.

**All school cabinets and science laboratories, other than the ITC laboratories, shall be equipped with furniture, materials and equipment for didactic use, based on the endowment standards approved within the reform 6.**

The provisions in section 1.4 – Eligible activities of the Applicant’s guide (p. 14) specified that all science laboratories and school cabinets would be equipped with furniture, materials and equipment for didactic use based on the minimum standards and requirements set out within the legislation approved under reform 6. The legislation corresponding to reform 6 was provided as Annexes 12- 18 of the guide. The same provisions mentioned the exclusion of ITC laboratories from the eligible list of the investment. Following the selection process, contracts were concluded to equip school laboratories dedicated to sciences, such as for physics, chemistry, biology and for school cabinets as dedicated environments for other compulsory disciplines such as languages, arts, history, geography, music or gymnasiums.

**Priority shall be given to educational establishments which had not benefitted from this type of investment in the last 5 years and that are located in rural areas.**

The Council Implementing Decision required that priority shall be given to the educational units which had not benefitted from this type of investment in the last five years and that are located in rural areas. The Applicant’s guide specifies according to its section 1.4 - Eligible activities of the Applicant’s guide (page 14), that funds are to be granted with priority to schools that did not make such investments for equipping science laboratories and school cabinets in the last five years. Furthermore, as stated in Annex 10 of the Applicant’s guide, ten additional points are to be attributed to projects localised in disadvantaged areas during the projects’ assessment process. Under section 1.5 – Eligible beneficiaries, the authorities explained that a list of disadvantaged localities was provided in Annex 2 of the guide, which was set on the basis of the updated Local Human Development Index. The authorities explained in justification document No. 473/DGIPRE of 28 February 2024 that where a locality was not included in Annex 12, but would however pertain to a disadvantaged area based on latest demographic changes, the applicant would be able to argue the classification in a disadvantaged area by applying the criteria detailed in the Applicant’s guide. This explanation from the authorities is confirmed by section 1.5 – Eligible beneficiaries of the Applicant’s guide (page 16). The authorities also explained in the summary document and justification Document No. 473/DGIPRE of 28 February 2024 that following the submission of projects and after the assessment of the applications received, financing contracts were signed for all approved projects, irrespective of whether they had benefitted or not from this type of investment in the last five years. This explanation from the authorities is confirmed by the list of projects selected for funding and of contracts signed. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, considering that at national level 1 236 localities were categorised as pertaining to disadvantaged areas, of which 1 222 were located in rural areas and the remaining were located in urban areas, the authorities decided to use the reference to disadvantaged localities instead, as specified in justification document No. 473/DGIPRE of 28 February 2024. This approach allowed for other projects located in disadvantaged

urban areas to also be supported, given they are confronted with similar issues as rural localities, in particular poverty. This approach therefore led to the signature of financing contracts with all educational establishments located in rural areas that applied for support. Furthermore, by providing support to all approved projects, the authorities enabled the equipment of a greater number of science laboratories/school cabinets, ultimately benefitting a larger number of students and improving the overall quality of education. Consequently, all educational establishments which had not benefitted from this type of investment in the last five years, and which applied for funding signed financing contracts. Therefore, the authorities' approach ensured a more comprehensive implementation of the investment and achieved the objective of the investment, which is to provide the necessary facilities to meet quality standards in school science laboratories/schools cabinets. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards the achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **Provision of the necessary facilities for [...] school science laboratories/school cabinets shall be carried out on a decentralised basis at school level, county school inspectorates and local public authorities.**

Page 14 of the Applicant's guide specified that the investment is to be implemented using a decentralised approach. Each educational establishment requesting funds must provide an analysis of its endowment needs, approved by the responsible County School Inspectorate and guaranteed by the local authorities (pages 5 and 6 of the Applicant's guide). The Ministry of Education has the obligation to register the evidence, based on the information reported by the County School Inspectorates, of all procurement procedures.

The local authorities, as eligible beneficiaries, must submit a single application to receive funds for the endowment of the pre-university educational units they administer according to section 1.5 – Eligible beneficiaries of the Applicant's guide (page 15). At the end of the implementation process, the ownership rights for the equipment purchased by the local authorities, are to be transferred to the educational and related units, as reflected in the Applicant's guide (page 17) and in the signed contracts.

The milestone is further specified in the Operational Arrangements, which requires **that the minimum standards for equipping school science laboratories/school cabinets shall comply with the applicable legal/normative act.**

The minimum standards for equipping school science laboratories and school cabinets are defined in the following legal/normative acts:

- the design, construction and operation of schools, including minimum and recommended requirements for different facilities such as for laboratories and workshops, sports and recreational facilities in terms of technical specifications of the equipment (like the existence of at least one sink in a chemistry laboratory etc.) or the arrangements of the equipment within these facilities, as provided by Ministerial Order No. 1203 of 16 June 2022 "for the approval of the technical regulation "Standard for the design, construction and operation of buildings for schools and high schools, indicative NP 010-2022"";
- the minimum equipment required per each type of discipline to ensure quality education for grades V to VIII such as specific furniture for school laboratories, audio-visual didactic materials, kits for teachers, software, as required by Ministerial Order No. 4142 of 29 June 2022 'approving the minimum equipment norm for classes V-VIII';
- the standards for the minimum endowment with furniture and equipment for early childhood education for children aged 0 to 6 years such as games or technological equipment, as detailed in the Ministerial Order No. 4143 of 29 June 2022 'for the approval of the Standards for teaching-learning materials in early education and the Norm of minimum endowment for early education services of children from birth to 6 years';

- the minimum endowment standards for primary education such as audio-visual materials, graphic or digital teaching materials, software, sport equipment, as provided for by Ministerial Order No. 4144 of 29 June 'approving the norm of minimum endowment for primary education'.

The above-mentioned legislation approving the minimum standards was included as Annexes 12 – 18 of the Applicant's guide, as approved by Ministerial Order No. 6423 of 19 December 2022 with subsequent amendments. According to the provisions on page 6 of the Applicant's guide, when launching the tenders all procurements' technical specifications must be based on the aforementioned minimum standards for equipping schools. Furthermore, Article 6 of the contracts concluded with the beneficiaries states that for costs to be considered eligible they need to comply with the conditions set in the Applicant's guide and in the applicable legislation, also in what regards compliance with the technical standards.

Romania provided evidence for a sample of 60 units, in particular copies of the signed contracts between the grant beneficiary and UEFISCDI, concluded between July 2023 and January 2024 as well as the relevant parts of the technical specifications of the projects and their alignment with the requirements in the description of the milestone including as regards the minimum standards and the type of equipment to be purchased. The evidence provided for a sample of 60 units confirmed that the requirements of the milestone have been met:

- The beneficiaries were among pre-university schools, county centres for resources and educational assistance and extracurricular educational units from the school network and their projects include the purchase of furniture, materials and equipment for didactic use the science laboratories (other than ITC laboratories) and school cabinets.
- All contracts contain provisions (Article 5 (22) and Article 6 (1)) requiring beneficiaries to comply with the provisions stated in the Applicant's guide and the applicable legislation, including that incurred cost would only be eligible if technical standards had been adhered to.
- The beneficiaries of the contracts were among those on the list of selected projects under the call for applications of this investment. Each contract specified the conditions for awarding the grant and included as an annex the project proposal.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

[Loan support]

<p><b>Number: 3</b></p>	<p><b>Related Measure: Strengthening the regulatory framework for sustainable management of water and waste water sector and accelerating people's access to quality services under European directives</b></p>	
<p><b>Name of the Milestone:</b> Implementation agreements signed with the local authorities participating in the First Connection to Water and Sanitation Programme</p>		
<p><b>Qualitative Indicator:</b> Implementation agreements signed with the local authorities participating in the First Connection to Water and Sanitation Programme</p>	<p><b>Time:</b> Q4 2022</p>	
<p><b>Context:</b></p> <p>Reform C1.R1 aims at strengthening the regulatory framework for the sustainable management of the water and wastewater sector and accelerating public access to quality services. The reform is organised around 2 main pillars, one of which aims at setting up the First Connection to Water and Sanitation programme, which supports low-income families and single people to pay the costs incurred for connecting their home to the water supply and sewerage system.</p> <p>Milestone 3 concerns the signature of implementation agreements between the Environmental Fund Administration and the local authorities participating in the First Connection to Water and Sanitation Programme.</p> <p>Milestone 3 is the third and last milestone of the reform and follows the completion of milestones 1 and 2, related respectively to the amendments to the Law on water supply and sewerage and the entry into force of the Law approving the national programme First Connection to Water and Sanitation.</p> <p>Following the completion of this milestone, at least 70 851 additional households are to be connected to water and sewerage through the National Programme First Connection to Water and Sanitation. This is a further step that is not required under the milestones and targets of this reform, but it is required by target 13 under investment C1.3 "Supporting the connection of the low-income population to existing water and sewerage network" in the Council Implementing Decision, and the authorities should take the necessary actions to this end.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ul style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone was satisfactorily fulfilled</li> <li>ii. Government Emergency Ordinance No. 124/2021, as amended and supplemented and GEO no. 125/2022 of 13 December 2021, published in the Official Journal No. 1178 of 14 December 2021</li> <li>iii. 9 financing contracts (numbered 1/PC/27.12.2022, 2/PC/29.12.2022, 3/PC/30.12.2022, 4/PC/30.12.2022, 5/PC/30.12.2022, 6/PC/03.10.2022, 7/PC/03.10.2023, 8/PC/03.10.2023, 9/PC/03.10.2023)</li> <li>iv. Government Emergency Ordinance No. 144/2021 amending and supplementing the Law on water supply and sewerage service No. 241/2006 (GEO no 144/2021), published in the Official Journal No.1258/31 on 31 December 2021</li> </ul>		
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.</p>		
<p><b>The Environmental Fund Administration shall sign the implementation agreements with the local authorities participating in the First Connection to Water and Sanitation Programme.</b></p>		



According to Article I of the Government Emergency Ordinance No. 144/2021 for amending and supplementing the Law on water supply and sewerage service No. 241/2006 (GEO No 144/2021), the implementation agreements take the form of a contract agreed and signed between the Environmental Fund Administration and the local authorities, specifying their participation to the First Connection to Water and Sanitation Programme.

Romania provided 9 contracts (numbered 1/PC/27.12.2022, 2/PC/29.12.2022, 3/PC/30.12.2022, 4/PC/30.12.2022, 5/PC/30.12.2022, 6/PC/03.10.2022, 7/PC/03.10.2023, 8/PC/03.10.2023, 9/PC/03.10.2023). These 9 contracts concluded cover the connection of 9 726 households.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 43</b>	<b>Related Measure: Improving waste management governance to accelerate the transition to the circular economy</b>	
<b>Name of the Milestone:</b> The adoption of the National Circular Economy Strategy		
<b>Qualitative Indicator:</b> Adoption of the National Circular Economy Strategy by Government Decision		<b>Time:</b> Q3 2022
<b>Context:</b>		
<p>Milestone 43 is part of reform C3.R1, whose objective is to create a strategic and legal framework for the transition to the circular economy and which aims at improving control and monitoring and the environmental quality parameters of the Romanian waste management system and at increasing the level of separate waste collection. The measure includes the National Circular Economy Strategy and an Action Plan, as well as amending certain legal acts related to waste management.</p> <p>Milestone 43 concerns the adoption of the National Circular Economy Strategy, covering the whole life cycle of products based on the recommendations of the EU-funded Technical Support Instrument project. The National Circular Economy Strategy shall define a governance framework for collaboration between stakeholders, identify key economic sectors, as well as regulatory, financial and information management methods and tools to support circular initiatives. It shall also define the revision of incentives to make recycling more convenient than landfilling and incineration, and contribute to the EU targets on waste recycling and reduction of the high landfilling rates.</p> <p>Milestone 43 is the first step in the implementation of the reform, and it will be followed by milestones 44 and 45, and target 47. Milestone 44 relates to the adoption of the Action Plan for the National Circular Economy Strategy and milestone 45 relates to the implementation of the actions of the National Circular Economy Strategy and the Action Plan that are due by Q1 2026. Target 47 relates to the contribution of the reform with 4.5 percentage points to the national recycling and preparation for reuse target by 2025. Milestone 43 is also complemented by milestone 46, which requires the entry into force of legislative acts necessary for the operationalisation of a unitary waste management (see relevant fiche below).</p> <p>The reform has a final expected date for implementation on 30 June 2026.</p>		
<b>Evidence provided:</b>		
The following evidence was provided:		
<ul style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;</li> <li>ii. A copy of Government Decision No. 1172/2022 approving the National Circular Economy</li> </ul>		

Strategy, published in the Official Journal No. 943, Part I, on 27 September 2022 (hereinafter referred to as “Government Decision No. 1172/2022”);

- iii. A copy of the Annex to Government Decision No 1172/2022 approving the National Circular Economy Strategy, published in the Official Journal No. 943bis, Part I, on 27 September 2022 (hereinafter referred to as “National Circular Economy Strategy”), also available at <https://dezvoltaredurabila.gov.ro/strategia-nationala-privind-economia-circulara-13409762>
- iv. Draft National Circular Economy Strategy provided by the consultant in the framework of the Technical Support Instrument project (“the recommendations of the TSI project”).

**Analysis:**

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

**Adoption of the National Circular Economy Strategy, which shall be based on the recommendations of the ongoing Technical Support Instrument project. Furthermore, in line with the description of the measure, the implementation of this reform shall consist of the following steps: (1) Adoption of the National Circular Economy Strategy to set the framework for the transformation of the Romanian economy towards a circular operation, covering the whole life cycle of products (by 31 September 2022).**

Government Decision No. 1172/2022 (included in point (ii) of the evidence provided) which approved the National Circular Economy Strategy (included in point (iii) of the evidence provided) was adopted on 21 September 2022. It was subsequently published in the Official Journal No. 943/2022, with the National Circular Economy Strategy published in its Annex (Official Journal 943bis, Part I) on 27 September 2022.

The recommendations of the EU-funded Technical Support Instrument (TSI) project selected in 2021 to support the development of the circular economy, to which the milestone refers, served as a basis for the National Circular Economy Strategy. On 20 July 2022, the technical assistance consortium, in collaboration with the European Commission, delivered a first draft of the National Circular Economy Strategy to the Romanian authorities (included in points (iv) of the evidence provided). The National Circular Economy Strategy is informed by and aligned with the substance and structure of the draft National Circular Economy Strategy as recommended by the TSI project. This is visible, for instance, in Sections 4.2.5 (on priority sectors), 5.1. (on key objectives) and 8 (on monitoring indicators) of the adopted Strategy, as outlined below.

- The TSI project sets recommended priorities for the sectors with the highest potential for enhancing the circular economy (Section 3.2.5), which have been taken up in the National Circular Economy Strategy (Section 4.2.5). These sectors are agriculture and forestry, automotive sector, construction, food and beverages, packaging (combining glass, paper and plastics), textiles and electrical and electronic equipment.
- The key objectives in the recommendations of the TSI project (Section 4.1) have in essence been retained in the National Circular Economy Strategy (Section 5.1), namely: (1) prioritising local production over imported products and materials (recommendations of the TSI project: prioritise local production over imported products and materials); (2) strengthening economic and labour competitiveness (recommendations of the TSI project: strengthen economic competitiveness and labour); (3) responsible and sustainable sourcing of raw materials (recommendations of the TSI project: responsible and sustainable sourcing of raw materials); (4) promoting innovation and research in the field of the circular economy as a matter of priority (recommendations of the TSI project: enhance innovation and research); (5) preservation, conservation and sustainable use of natural resources (recommendations of the TSI project: practice resource retention and valorisation); (6) waste prevention and sustainable waste management (recommendations of the TSI project: reduce the generation of waste); (7) promoting responsible consumption and environmental education (recommendations of the TSI project: promote responsible

consumption); (8) protecting ecosystems and citizens' health (recommendations of the TSI project: protection of the ecosystem and health of citizens).

- Similarly, the indicators to monitor the achievements of high-level objectives included in table 8.1 of the National Circular Economy Strategy are identical in substance to those that were recommended by the TSI project in table 4.2.

The National Circular Economy Strategy, in its executive summary as well as in Section 5 on the general and specific objectives, states that the objective of the National Circular Economy Strategy is to provide the framework for the transition to the circular economy. It does so by providing the basis for the implementation of the Circular Economy Action Plan, which will be assessed under milestone 44. The National Circular Economy Strategy gives the context and recommends actions to transform the Romanian economy towards a circular operation, including governance structures, monitoring and evaluation framework, programmes and financing sources, thereby setting the framework for the future policies under the Circular Economy Action Plan.

### **The strategy shall set out rules for the entire life cycle of products**

For each of the economic sectors analysed in Section 4.2 of the National Circular Economy Strategy, the same section presents solutions and opportunities for achieving more circularity. These solutions and opportunities specify the stage of the life cycle of the respective products, such as design phase, extraction phase, production phase, consumption/use (and reuse) phase and end-of-life-phase, as well as waste generation and waste management phases. While the analysis thus covered all stages, the National Circular Economy Strategy then identifies the parts of the cycle, for each respective product group, where action is needed to close gaps, and thereby cover the entire life cycle of products. On this basis, depending on the sector and its challenges, Section 4.2 of the National Circular Economy Strategy includes solutions and opportunities for achieving more circularity in the phase(s) of the life cycle with most circularity potential. Among others, Section 4.2.1 of the National Circular Economy Strategy sets out rules for the entire life cycle of products in order to achieve more circularity. For example,

- concerning the design/extraction phase, the National Circular Economy Strategy recommends circular design of urban development policies, including an appropriate legal framework to support the recovery of urban resources and mining, as well as the introduction of mandatory eco-design requirements for textiles;
- concerning the production and distribution phase, the National Circular Economy Strategy recommends the introduction of mandatory eco-design requirements for industrial packaging, together with the eco-labelling of products containing recycled materials;
- concerning the consumption phase, the National Circular Economy Strategy refers to the need to incorporate the measures to promote the consumption of tap water under the revised Drinking Water Directive into the Romanian regulations;
- concerning the use and reuse phase of the automotive sector, the National Circular Economy Strategy sets out rules on mandatory recycled content for certain plastic components of new vehicles, in line with the EU Directive on end-of-life vehicles;
- concerning the waste generation and waste management phases, the National Circular Economy Strategy calls for the further implementation and enforcement of the rules of the EU Waste Framework Directive.

**(...) and define the following key elements:**

- **regulatory, financial and information management methods and tools to support circular initiatives;**

The National Circular Economy Strategy identifies *regulatory* methods and tools to support circular initiatives. For example, Section 4.2.3 on textiles (page 43) of the National Circular Economy Strategy mentions that during the design phase, mandatory eco-design requirements need to be introduced to extend the life of textile products, by encouraging the use of mono-material textile fibres.

Another example is the recommendation to ban certain plastics in the production phase of packaging in Section 4.2.3, page 44 of the National Circular Economy Strategy.

Second, the National Circular Economy Strategy identifies *financial* methods and tools to support circular initiatives. For example, Section 4.2.4 on waste management, which presents solutions and opportunities to increase the percentage of recyclable waste in municipal waste, recommends providing a financial incentive for selective collection through economic instruments, such as increasing landfill fees and introducing refund schemes for waste collection (page 52 of the National Circular Economy Strategy). Another example is the recommendation to offer awards to farmers and foresters for carbon capture (Section 4.2.1, page 32 of the National Circular Economy Strategy).

Third, the National Circular Economy Strategy includes methods and tools in *information management*. For example, Section 4.2.2 on the construction sector recommends improving the data collection of construction and demolition waste generation and recovery as well as information on properties/characteristics of the construction and demolition waste to enable the optimal waste treatment option (page 39). Another example is the recommendation to enhance customer information and education about correct disposal and repair options of electrical and electronic equipment (Section 4.2.3, page 46 of the National Circular Economy Strategy).

- **identification of sectors to be covered;**

The National Circular Economy Strategy in Section 4.2 identifies the sectors to be covered:

- i) Agriculture and forestry;
- ii) Automotive industry;
- iii) Construction;
- iv) Consumer goods such as food and beverages;
- v) Packaging (glass, paper, plastic materials, etc.);
- vi) Textiles;
- vii) Electrical and Electronic Equipment.

As stated in the conclusions on prioritisation in Section 4.2.5, these sectors as well as waste and water as horizontal sectors will be addressed in detail in the Circular Economy Action Plan, which will present in more detail concrete actions for the priority sectors.

- **revision of environmental and economic incentives on waste in order to make recycling more convenient than landfilling and incineration;**

As outlined above, Section 4.2.4 of the National Circular Economy Strategy on waste management presents solutions and opportunities to increase the percentage of recyclable waste in municipal waste. Among them is the recommendation to provide “financial incentives for separate collection by means of economic instruments, by increasing landfill taxes” and introducing pay-as-you-throw-schemes, among others (page 52). These measures make waste generation more costly, providing an incentive to reduce the amount of waste generated as much as possible to pay less, notably by recycling to the extent possible. Therefore, the Strategy creates a basis for economic incentives that make recycling a more attractive and convenient option instead of landfilling and incineration.

- **guidelines for using the financial and management methods/tools in the respective sectors;**

As outlined above, Section 4.2 of the National Circular Economy Strategy identifies solutions and opportunities in the different phases from product design to end of life and re-use phase, including financial and management methods/tools. To give an example for financial methods/tools, for electrical equipment and electronic products, the National Circular Economy Strategy recommends reducing VAT on repaired products and providing financial support for investments in innovation. Examples for management methods/tools that the National Circular Economy Strategy recommends are applying composting legislation, promoting education, raising awareness, and informing citizens and developing social and environmental responsibility of companies to increase the percentage of

recyclable waste in municipal waste and to reduce the high landfilling rate (Section 4.2.4). By setting the priorities and proposing tools and actions, these recommendations serve as guidelines for future financial and management methods and tools in each of the 14 sectors analysed, such as the future policy actions under the Circular Economy Action Plan, which will be assessed under milestone 44.

- **governance framework for collaboration between stakeholders (authorities, academia, the private sector, the non-profit sector and citizens).**

Section 3.4 of the National Circular Economy Strategy describes the current governance structure of circular economy policies. Section 9.2 of the National Circular Economy Strategy explains that a coordination structure will be set up for the implementation of the National Circular Economy Strategy and its follow-up, comprising representatives of the Ministries with responsibilities in the field of circular economy, the Prime Minister’s Chancellery, the General Secretariat of the Government, the Presidential Administration and the Department for Sustainable Development. Section 9.2 of the National Circular Economy Strategy also provides that the coordination structure will be led by the Head of the Prime Minister’s Chancellery, while the Department for Sustainable Development will provide a secretariat. Section 9.2 of the National Circular Economy Strategy provides that the private sector, academia, and civil society will be regularly consulted in the process of the implementation of the National Circular Economy Strategy.

**The National Circular Economy Strategy shall effectively contribute to the EU targets on waste recycling, in particular in recycling of municipal waste and the reduction of the high landfilling rates.**

Section 4.2.4 of the National Circular Economy Strategy identifies factors that hinder municipal waste management in Romania and presents recommendations to increase the percentage of recyclable waste from municipal waste. As outlined above, Section 4.2.4 of the National Circular Economy Strategy presents tools to increase the percentage of recyclable waste in municipal waste and to reduce the high landfilling rate. These include speeding up the process for all integrated waste management systems to become fully operational, ensuring optimal waste collection infrastructure with a view to increasing the separate collection of municipal waste, including door-to-door collection of separate waste, providing financial incentives for separate collection by means of economic instruments, applying composting legislation, promoting education, raising awareness and informing citizens and developing social and environmental responsibility of companies. These measures have the potential to effectively contribute to more municipal waste being recycled and in consequence smaller amounts of waste going to landfill. The recommended measures are therefore expected to contribute to Romania reaching the EU targets on waste recycling.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 46	<b>Related Measure:</b> Improving waste management governance to accelerate the transition to the circular economy	
<b>Name of the Milestone:</b> Entry into force of the legislative acts necessary for an operationalisation of a unitary waste management in accordance with the National Waste Management Plan		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislative acts for waste management practice		<b>Time:</b> Q3 2022
<b>Context:</b>		
Milestone 46 is part of reform C3.R1, whose objective is to create a strategic and legal framework for the transition to the circular economy and which aims at improving control and monitoring and the environmental quality parameters of the Romanian waste management system and at increasing		

the level of separate waste collection. The measure includes the National Circular Economy Strategy and an Action Plan, as well as amending certain legal acts related to waste management.

Milestone 46 concerns the entry into force of the legislative acts necessary for the operationalisation on a unitary waste management in line with the National Waste Management plan. It requires the entry into force of three legislative acts: (i) 1. Ordinance on waste regime which shall regulate extended producer responsibility according to the Waste Framework Directive and introduce penalties for illegal landfilling, waste dumping and open air burning; (ii) Ordinance for the amendment of the Sanitation Law; and (iii) Amendment of the National Regulatory Authority for Community Public Utilities Services on Sanitation Tariff Methodology. The latter two legislative acts shall regulate: (i) the full operationalisation of the economic instruments (pay as you throw, landfill tax and extended producer responsibility); (ii) the role of the National Regulatory Authority for Community Public Utilities Services as the national regulatory authority for municipal waste tariff policy; and (iii) the financial responsibilities of inter-community development associations with regard to the integrated waste management systems projects.

Milestone 46 is the second milestone or target of the reform, and it follows the completion of milestone 43, related to the adoption of the National Circular Economy Strategy and milestone 45 concerning the implementation of the actions of the National Circular Economy Strategy and the Action Plan that are due by Q1 2026. It will be followed by milestone 44 and target 47, related to the adoption of the Action Plan for the National Circular Economy Strategy and a contribution of 4.5 percentage points to the 50% national recycling and preparation for reuse target by 2025. The reform has a final expected date for implementation on 30 June 2026.

**Evidence provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii. A copy of Government Emergency Ordinance No. 92/2021 on waste regime published in the Official Journal No. 820, Part I, on 26 August 2021 (hereinafter referred to as "GEO No. 92/2021");
- iii. A copy of Government Emergency Ordinance No. 38/2022 amending and completing certain normative acts in order to streamline waste management published in the Official Journal No. 433 on 7 April 2022 (hereinafter referred to as "GEO No. 38/2022");
- iv. A copy of Government Emergency Ordinance No. 133/2022 amending and supplementing GEO 92/2021 on waste regime, as well as the Law on sanitation of localities No. 101/2006, published in the Official Journal No. 958/30.09.2022, Part I, on 29 September 2022 (hereinafter referred to as "GEO No. 133/2022");
- v. A copy of Law No. 17/2023 for the approval of GEO No. 92/2021, published in the Official Journal No. 21 on 9 January 2023 (hereinafter referred to as "Law No. 17/2023");
- vi. A copy of Government Emergency Ordinance No. 96/2023 on measures to make waste management more efficient and to amend and supplement some regulatory acts published in the Official Journal No. 1003 on 3 November 2023 (hereinafter referred to as "GEO No. 96/2023");
- vii. A copy of Government Emergency Ordinance No. 114 amending and supplementing GEO 92/2021 on waste regime published in the Official Journal No. 1138 on 15 December 2023 (hereinafter referred to as "GEO No. 114/2023");
- viii. A copy of the Order of the President of National Regulatory Authority for Community Public

Utilities Services (“ANRSC”) No. 640 of 30 September 2022 on the approval of the methodological norms for setting, adjusting or modifying tariffs for sanitation activities, as well as for calculating the separate tariffs/fees for waste management and sanitation fees published in the Official Journal No. 984 and No. 984bis on 11 October 2022 (hereinafter referred to as “ANRSC Order No. 640/2022”);

- ix. A copy of the National Waste Management Plan 2017 (hereinafter referred to as “National Waste Management Plan”);
- x. A copy of Law No. 211/2011 on waste regime, published in the Official Journal No. 837, Part I, on 25 November 2011 (hereinafter referred to as “Law No. 211/2011”);
- xi. A copy of Government Ordinance No. 2/2021 on the landfill of waste, published in the Official Journal No. 794, on 18 August 2021 (hereinafter referred to as “Government Ordinance No. 2/2021”);
- xii. Analysis of payment methods for sanitation service users;
- xiii. Interim report “Strengthening the economic regulation of the solid waste sector (RO)”, Deliverable No. 4 under contract No. REFORM/SC2021/098 (hereinafter referred to as “interim report”).

**Analysis:**

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

**Entry into force of legislative acts necessary to consolidate compliant waste management in Romania, in particular through the governance measures on municipal waste management in the National Waste Management Plan, in order to achieve the waste management targets of the EU Waste Framework Directive.**

Chapter III.6 of the National Waste Management Plan (included in point xi of the evidence provided) identifies governance measures on municipal waste management. In particular, Table III-38 of the National Waste Management Plan contains eight actions, of which the following seven concern priority governance measures on municipal waste management, which Romania implemented as follows:

- (i) Update of Government Decision 856/2002 on the record of waste management and for the approval of the list including waste, including hazardous waste, in accordance with the provisions of Commission Decision 2014/955/EU amending Decision 2000/532/EC establishing a list of waste under the 2008 Directive /98/CE of the European Parliament and the Council.

Article 7(1) of GEO No. 92/2021 on the waste regime (included in point ii of the evidence provided), approved with amendments and additions by Law No. 17/2023 (included in point v of the evidence provided), provides that the classification and codification of waste, including hazardous waste, shall be carried out in accordance with the provisions of Commission Decision 2000/532/EC. GEO No. 92/2021 thereby updates and complements the previous provisions as contained in Government Decision No. 856/2002 on the record of waste management and for the approval of the list including waste, including hazardous waste.

- (ii) Inclusion in legislation of definitions of similar waste from commerce, industry and institutions and municipal packaging waste.

Article 2(4)(7) of GEO No. 133/2022 (included in point iv of the evidence provided) introduces in Law 101/2006 (the Sanitation Law) a definition of “similar waste” in line with Article 1(2) of Commission Decision 2011/753/EU.

- (iii) Revision of the national list of waste accepted in landfills of non-hazardous waste in Section 6 of Order No 95/2005 of the Minister for the Environment and Water Management establishing acceptance criteria and preliminary procedures for the acceptance of waste at landfills and the national list of waste accepted in each class of landfill in order to prohibit the landfilling of separately collected waste.

Government Ordinance No. 2/2021 (included in point xi of the evidence provided) establishes acceptance criteria (in Annex No 2) and preliminary procedures (in Chapter III) for the acceptance of waste at landfills. Article 6(f) of Government Ordinance No. 2/2021 prohibits the storage of separately collected waste.

The Council Implementing Decision required the entry into force of legislative acts necessary to consolidate compliant waste management in Romania, in particular through the governance measures on municipal waste management in the National Waste Management Plan, in order to achieve the waste management targets of the EU Waste Framework Directive. The governance measures on municipal waste management in the National Waste Management Plan included a recommendation to revise the national list of waste accepted in each class of landfill in order to prohibit the landfilling of separately collected waste. Romania has not revised such list but adopted Government Ordinance No. 2/2021 which prohibits the storage of separately collected waste. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, both a change in the list and a direct prohibition are legally binding and the objective to prohibit the storage of separately collected waste was achieved. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

- (iv) Linking the legislation on sanitation (Law 101/2006 and subsequent regulatory acts) and specific legislation for packaging and packaging waste (Law 249/2015 and subsequent regulatory acts) as regards the responsibilities of the management of municipal packaging waste – the local public authority, through sanitation operators must be solely responsible for the management of municipal waste.

Following amendment by GEO No. 133/2022 (included in point iv of the evidence provided), Article 6(1) of Law No. 101/2006 provides that the local public authority, through sanitation operators is solely responsible for the management of municipal waste, including for the task of concluding contracts or partnerships with organisations implementing extended producer responsibility obligations to achieve the objectives set out in Law No. 249/2015 on packaging and packaging waste.

In addition to this reference to Law No. 249/2015 on packaging and packaging waste within Law No. 101/2006, ANRSC Order No. 640/2022 (included in point (viii) of the evidence provided) provides that the calculation of net costs for the management of municipal packaging waste is fully correlated with that set out in Annex No. 6 to Law No. 249/2015.

- (v) Analysis of the existing payment arrangements for the sanitation service in the light of the IWMS projects and the economic instruments to be implemented (storage fee, 'pay as you throw') and amending the legislation to implement a single payment method (fee or tariff)

In Romania, intercommunity development associations conclude delegation contracts which specify the payment modalities of IWMS projects. They allow for both tax and/or tariffs. Romania conducted an analysis of the existing payment methods (included in point (xii) of the evidence provided) and found that in the delegation contracts through which IWMS projects are implemented at the level of 30 counties, out of the total 89 contracts, 21 use taxes as payment method while 68 use both taxes and tariffs.

ANRSC Order No. 640/2022 (included in point (viii) of the evidence provided) approves the methodological norms for setting, adjusting or modifying tariffs for sanitation activities, as well as for calculating the separate tariffs and fees for waste management and sanitation services, covering the economic instruments pay as you throw, landfill tax and extended producer responsibility.

The Council Implementing Decision requires the entry into force of legislative acts necessary to consolidate compliant waste management in Romania, in particular through the governance measures on municipal waste management in the National Waste Management Plan, in order to achieve the waste management targets of the EU Waste Framework Directive. The governance measures on municipal waste management in the National Waste Management Plan included a



recommendation to amend the legislation to implement a single payment method (fee or tariff). Romania has implemented a single payment method through harmonisation of calculations of fees and tariffs, whereby fees and tariffs both remain options at local level. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the choice to maintain both fees and tariffs as options at local level does not jeopardise the objective of the recommendation, nor the objective to achieve the waste management targets of the EU Waste Framework Directive. As explained in Section II.3.8 of the National Waste Management Plan, regarding the assessment of the achievement of the objectives and issues requiring improvement, the problem the recommendation intends to address was the existence of a heterogeneous system with regard to the payment mechanism for sanitation services (further described in Section II.3.5), which also led to difficulties in the correct implementation of economic instruments. ANRSC Order No. 640/2022 provides the harmonised methodology to calculate tariffs and fees for the implementation of all economic instruments and related to the waste management activities provided for in the EU Waste Framework Directive. This harmonised methodology ensures that the amounts paid by users are the same regardless of whether fees or tariffs are used by the local public authority. Therefore, and since the harmonised methodology implements the economic instruments provided for by the EU Waste Framework Directive, the harmonised methodology is expected to achieve the same objective as imposing either tariffs or fees, namely the use of a single payment method.

As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

- (vi) Drawing up and approving by order of the President of the ANRSC the methodology for calculating the sanitation service charge on the basis of the charges for the service's component activities

Chapter III of ANRSC Order No. 640/2022 (included in point (viii) of the evidence provided) draws up the methodology for calculating the sanitation service charge. As outlined above, Article 21(2) provides that this methodology should be based on the charges for the service's component activities.

- (vii) Review and approval of the methodology for calculating the charges for sanitation service activities (Order of the ANRSC President No. 109/2007 setting, adjusting or amending the charges for activities specific to the municipal sanitation service), taking into account the provisions of the IWMS (Integrated Waste Management System) projects and the economic instruments provided for in the legislation

Chapters V and VI (Article 29 – 54) of the ANRSC Order No. 640/2022 (repealing Order of the ANRSC President No. 109/2007) approved the methodologies for calculating the tariffs of sanitation activities, taking into account the economic instruments provided for in the legislation, namely pay as you throw (Article 45(3)c), landfill tax (Article 49(2)) and extended producer responsibility (Article 16(2)a).

The updated methodology for calculating the charges for sanitation service activities takes into account the provisions of the IWMS projects. Under a technical assistance project financed by the European Commission, a consultancy analysed, among others, the performance of IWMS, as well as the challenges, and drew up recommendations, all of which it laid out in its interim report (included in point (xii) of the evidence provided). These findings and recommendations for the methodology to calculate both tariffs and fees was taken up in ANRSC Order No. 640/2022.

**The following legislative acts shall enter into force:**

**1. Ordinance on waste regime, which shall regulate extended producer responsibility according to the Waste Framework Directive.**

GEO No. 92/2021 (included in point (ii) of the evidence provided) was published in the Official

Journal on 26 August 2021 and entered into force on the same day, in accordance with Article 12(2) of Law No. 24/2000 on legislative technical norms for the elaboration of normative acts. It was amended and supplemented by:

- (i) GEO No. 38/2022 (included in point (iii) of the evidence provided);
- (ii) GEO No. 133/2022 (included in point (iv) of the evidence provided);
- (iii) Law No. 17/2023 (included in point (v) of the evidence provided);
- (iv) GEO No. 96/2023 (included in point (vi) of the evidence provided); and
- (v) GEO No. 114/2023 (included in point (vii) of the evidence provided).

GEO No. 92/2021 regulates extended producer responsibility according to the Waste Framework Directive. In particular, Article 12 of GEO No. 92/2021, as amended, establishes the rules for extended producer responsibility policies and obligations of producer responsibility schemes.

**The Ordinance shall also introduce severe penalties to discourage illegal landfilling, waste dumping and open air burning.**

Article 66 of GEO No. 92/2021 introduces sanctions for criminal offences for which the punishment are prison terms ranging from 3 to 5 years or fines in cases where the quantity or impact on the environment or on the life, body integrity or health of persons cannot be neglected.

These penalties introduced by Article 66 of GEO No. 92/2021 apply in case of **illegal landfilling**, as provided by Article 66(1)(f) of GEO No. 92/2021 which specifically refers to the burial of waste, and point (g) of the Article which provides that penalties apply for disposal, possession, storage of waste outside authorised premises.

Article 66(1)(h) of GEO No. 92/2021 provides penalties in case of **waste dumping**, defined as abandonment, disposal and/or concealment of waste.

Article 66(1)(e) of GEO No. 92/2021 provides that penalties apply to **open air burning**, defined as burning of any type of waste and/or substance or object.

Before the entry into force of GEO 92/2021, the main regulatory act applicable in the waste sector was Law 211/2011 (included in point (x) of the evidence provided), whose provisions on penalties did not generally punish the offences of illegal landfilling and open-air burning. Waste dumping had been punishable by a fine between RON 3 000 and 6 000 for natural persons and 20 000 and 40 000 for legal persons, as per Article 19(3) and Article 61(1) of Law 211/2011.

**2. Ordinance for the amendment of Law 101/2006 (The Sanitation Law).**

GEO No. 133/2022, which amends the Sanitation Law was published in the Official Journal on 30 September 2022 and entered into force on the same day, in accordance with Article 12(2) of Law No. 24/2000 on legislative technical norms for the elaboration of normative acts.

**3. Amendment of the National Regulatory Authority for Community Public Utilities Services (ANRSC) Order 109/2007 on Sanitation Tariff Methodology.**

ANRSC Order No. 640/2022 (included in point (viii) of the evidence provided) was published in the Official Journal on 11 October 2022 and entered into force on the same day, in accordance with Article 12(3) Law No. 24/2000 on legislative technical norms for the elaboration of normative acts. It approves the methodological norms for setting, adjusting or modifying tariffs for sanitation activities, as well as for calculating the separate tariffs and fees for waste management and sanitation services. Its Article 2 repeals Order 109/2007 upon entry into force of ANRSC Order No. 640/2022.

**The Ordinance (No. 2) and the amended ANRSC Order (No. 3) shall regulate:**

**- the full operationalisation of the economic instruments (pay as you throw, landfill tax and extended producer responsibility);**

As outlined above, GEO No. 133/2022 constitutes the Ordinance (No.2) for the amendment of Law

101/2006. Together with ANRSC Order No. 640/2022 (No.3), it regulates the full operationalisation of the economic instruments as follows:

(i) Pay as you throw: GEO No. 133/2022 amends Article 38 of GEO No. 92/2021 to establish the competences of local authorities in operationalising “pay as you throw schemes” and provides how fees will be set.

Article 25 and Article 43-45 of ANRSC Order No. 640/2022 further specify the methodology to calculate the tariff or the tax.

(ii) landfill tax: GEO No. 133/2022 amends Article 17 of GEO No. 92/2021 to establish the value of the landfill tax and to whom it will be applied. Section 4 of Chapter VI- of ANRSC Order No. 640/2022 further specifies how it must be applied.

(iii) extended producer responsibility: GEO No. 133/2022 amends Article 60 of GEO No. 92/2021 to establish the competences of local public authorities in relation to extended producer responsibility. Articles 43-45 of ANRSC Order No. 640/2022 further specify when it must be applied.

**- the role of the ANRSC as the national regulatory authority for municipal waste tariff policy;**

GEO No. 133/2022 introduces Chapter V - Section 6 in GEO 133/2022 that regulates the role of ANRSC in the implementation of tariff policy in the field of waste management. ANRSC’s competences include approving waste tariffs and granting licences for all the sanitation activities of the municipal waste stream.

Chapter VII – Section 5 of ANRSC Order No. 640/2022 further specifies the procedure for the establishment, adjustment or modification of these tariffs.

**- the financial responsibilities of inter-community development associations with regard to the integrated waste management systems projects**

GEO No. 133/2022 amends Article 14 of GEO No. 92/2021 to establish rules for inter-community development associations in case of investment projects in county integrated waste manage systems financed from non-reimbursable European funds.

ANRSC Order No. 640/2022 specifies the responsibilities of inter-community development associations in the process of approving the tariffs for integrated waste management systems, including the steps and timeline of the process.

**[...] in order to achieve the waste management targets of the EU Waste Framework Directive**

The above legislative acts align the Romanian legal framework with the EU Waste Framework Directive, including the economic instruments as provided in the EU Waste Framework Directive with the aim to achieve the waste management targets it established. The above-mentioned elements of milestone #46 is therefore expected to help Romania achieve the waste management targets of the EU Waste Framework Directive.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 90	<b>Related Measure:</b> Simplified and updated regulatory framework to support the implementation of investments in the transition to green and resilient buildings	
<b>Name of the Milestone:</b> Entry into force of the amendments to the existing legislative framework on the multiannual national programme for improving the energy performance of residential buildings (Government Emergency Ordonance No 18/2009)		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the amendments to the Government Emergency Ordonance No 18/2009		<b>Time:</b> Q4 2022
<b>Context:</b> The measure aims to simplify the legislative and regulatory framework concerning building renovation activities, to accelerate the green transition. It consists of two sub-reforms, (i) the		

codification of legislation supporting the implementation of investments in the transition to green buildings (reform C5.R1.a) and (ii) the optimisation of the legislative and regulatory framework to support the implementation of investments in the transition to green buildings (reform C5.R1.b).

Milestone #90 is part of sub-reform C5.R1.b and requires the amendment of the existing legislative framework on the multiannual national programme for improving the energy performance of residential buildings. The milestone requires the amendment to (i) increase the level of ambition of energy renovations to at least 30% and up to 60% primary energy savings for residential buildings, (ii) establish an updated list of expenditure for moderate or deep renovation eligible for support and (iii) increase the ambition of the performance indicators for projects submitted under the programme.

In parallel, milestone #91 requires the adoption and entry into operation of two technical guidelines: “The Nearly Zero Energy Building (NZEB) guidelines” and “The methodology for non-invasive approach of energy efficiency on historical buildings” (see relevant fiche below).

**Evidence provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii. A copy of Government Emergency Ordinance No. 31/2022 amending and supplementing Emergency Government Ordinance No. 18/2009 on increasing the energy performance of residential blocks, published in the Official Journal No. 299 on 28 March 2022 (hereinafter referred to as “GEO No. 31/2022”);
- iii. A copy of Law No. 298/2022 approving the Government Emergency Ordinance no 31/2022 amending and supplementing Order Government Emergency No 18/2009 on growth energy performance of residential blocks of 4 November 2022, published in the Official Journal No. 1072 on 7 November 2022 (hereinafter referred to as “Law No. 298/2022”).
- iv. A copy of Order of the Ministry of Development, Public Works and Administration No. 625/2023 approving the implementing rules of Government Emergency Ordonnance No. 18/2009 for increasing the energy performance of residential buildings, published in the Official Journal No. 314 on 13 April 2023 (hereinafter referred to as “Ministerial Order No. 625/2022”).

**Analysis:**

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

**Entry into force of the amendments to the Government Emergency Ordonnance No 18/2009**

GEO No. 31/2022 (included in point (ii) of the evidence provided) amended and complemented GEO No. 18/2009 on increasing the energy performance of residential blocks (as stipulated in its Article I) and was published in the Official Journal No. 299 on 28 March 2022. It entered into force on the same day, in accordance with Article 12(2) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Law No. 298/2022 (included in point (iii) of the evidence provided) approving GEO No. 31/2022, without further amendments, was published in the Official Journal, Part I, No. 1072 on 7 November 2022, and entered into force three days later, in accordance with Article 12(1) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Furthermore, in accordance with Article II of GEO No. 31/2022, the Implementing Rules for Emergency Government Ordinance No. 18/2009 on increasing the energy performance of residential blocks were updated through Ministerial Order No. 625/2022 (included in point (iv) of the evidence provided). Ministerial Order No. 625/2022 was published in the Official Journal No. 314 on 13 April 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 amendments to the multiannual national programme for improving the energy performance of residential buildings shall increase the level of ambition of energy renovations to at least 30 % primary energy savings up to 60 % primary energy savings for residential building.**

The Council Implementing Decision states the amendments to the multiannual national programme for improving the energy performance of residential buildings shall increase the level of ambition of energy renovations to at least 30 % primary energy savings up to 60 % primary energy savings for residential building. The Recovery and Resilience Plan provides that the Recovery and Resilience Plan of Romania “will address public and private building renovations at a moderate level for which the minimum reduction in energy consumption and CO<sub>2</sub> emissions will be 30 %” and “the Recovery and Resilience Plan of Romania finances works to improve the existing building stock: multi-family residential buildings – moderate or deep energy renovation”. In light of the purposive interpretation of this requirement from the Council Implementing Decision, the requirement is interpreted as providing for the achievement of at least moderate energy efficiency renovation, with a minimum of 30% primary energy savings.

Article I (2) of GEO No. 31/2022 amends Article 5 of GEO No. 18/2009, stipulating that *‘the measures proposed for energy renovation [of residential buildings] must result in at least a 50 % reduction in the annual specific final energy consumption for space heating and at least a 30 % reduction in the total annual primary energy consumption, compared to the values calculated before the intervention works’*.

Article I (2) of GEO No. 31/2022 amending Article 5 of GEO No. 18/2009 states that the scope of the proposed measures for renovations should result in at least 30 % primary energy savings, which is the minimum threshold for moderate renovation and would ensure an increase in the level of ambition of energy renovations. GEO No. 31/2022 does not set a maximum threshold, allowing measures financed by the multiannual national programme for improving the energy performance of residential buildings to achieve more primary energy savings than 60%. In addition, Article I (3) of GEO No. 31/2022 introduces a new Article 5<sup>1</sup> stipulating that *‘the program indicators necessary for the implementation of multiannual local programs and the multiannual national program [...] will be based on the maximum limit values [set by Article 5 of GEO No. 31/2022] for the specific consumption of total primary energy, the equivalent CO<sub>2</sub> emissions, and the minimum requirements for the construction elements that are part of the building envelope’*. These provisions set a clear minimum threshold for energy savings (50 % for space heating and 30 % for total primary energy consumption), which aligns with the ambition to achieve significant reductions in energy consumption and establishes performance indicators. The proposed measures for energy renovation works shall increase the energy performance of (residential) housing blocks and lead to “a reduction of at least 30 % of the total annual primary energy consumption compared to the values calculated before the intervention work is carried out.” This ensures that the multiannual national programme for improving the energy performance of residential buildings supports renovation measures which at least meet the requirements for moderate energy efficiency renovations, namely reducing by 30% and up to 60% the total annual primary energy consumption.

On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**[...] by establishing an updated list of expenditure for moderate or deep renovation that shall be eligible for support**

Article I(1) of GEO No. 31/2022 amends Article 4 of GEO No. 18/2009 to include an updated list of

types of eligible intervention works/activities to increase the energy performance of residential blocks. These eligible intervention works/activities to increase the energy performance of residential blocks, separately or combined, ensure that the level of ambition of energy renovations under the multiannual national programme for improving the energy performance of residential buildings increases to at least 30 % primary energy savings. This is because the intervention works/activities to improve the energy performance of housing blocks that are eligible for the purposes of GEO No. 18/2009 include key measures to significantly improve energy efficiency of buildings, such as energy efficient lighting, smart metering and upgrading heating systems. In addition, Article 5 of GEO No. 18/2009 applies to these eligible intervention works/activities, which means that in order to be eligible for support, eligible intervention works/activities on the list must lead to “a reduction of at least 30 % of the total annual primary energy consumption compared to the values calculated before the intervention work is carried out.” The amendments to the multiannual national programme for improving the energy performance of residential buildings that concern the list of expenditure for moderate or deep renovation thereby increase the level of ambition of energy renovations to at least 30 % primary energy savings.

**[...] and by increasing the ambition of the performance indicators for projects submitted under the programme**

Article 1(3) of GEO No. 31/2022 amends Article 5 of GEO No. 18/2009 to stipulate that the performance indicators necessary for the implementation of the multiannual local programmes and the multiannual national programme shall be laid down on the basis of the maximum limit values for specific total primary energy consumption, for CO2 equivalent emissions, and for minimum requirements for building elements forming part of the building envelope. The performance indicators are further specified in Annex 7 of Ministerial Order No. 625/2022.

Since Article 5 of GEO No. 18/2009, before the reform under this milestone, did not require energy renovations to reach at least 30 % primary energy savings, the performance indicators based on the new requirement constitute an increase in ambition compared to the situation before the reform. The amendments to the multiannual national programme for improving the energy performance of residential buildings that concern the performance indicators therefore increase the level of ambition of energy renovations to at least 30 % primary energy savings by ensuring such increase in ambition through the relevant performance indicators and the new list of eligible expenditure.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 91</b>	<b>Related Measure: Simplified and updated regulatory framework to support the implementation of investments in the transition to green and resilient buildings</b>	
<b>Name of the Milestone:</b> The technical regulatory framework on investments for the transition to green and digital buildings is operational		
<b>Qualitative Indicator:</b> Publication in the Official Journal		<b>Time:</b> Q4 2022
<b>Context:</b> The measure aims to simplify the legislative and regulatory framework concerning building renovation activities, to accelerate the green transition. It consists of two sub-reforms, (i) the codification of legislation supporting the implementation of investments in the transition to green buildings (reform C5.R1.a) and (ii) the optimisation of the legislative and regulatory framework to support the implementation of investments in the transition to green buildings (reform C5.R1.b).		
Milestone #91 is part of C5.R1.b and requires the adoption and entry into operation of two technical guidelines: “The Nearly Zero Energy Building (NZEB) guidelines” and “The methodology for non-		

invasive approach of energy efficiency on historical buildings.” In parallel, milestone #90 requires Government Emergency Order No 18/2009 on the multiannual national programme for improving the energy performance of residential buildings to be amended to increase the level of ambition of energy renovations to at least 30% primary energy savings up to 60% primary energy savings for residential buildings (see relevant fiche above).

**Evidence provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii. Copy of Order of Minister of Development, Public Works and Administration No. 2819/2022 for the application of the technical regulation “Guideline for implementing the measures to increase the energy performance applicable to existing buildings, in the design, execution and reception of buildings, exploitation and monitoring of construction behaviour in time for fulfilment of NZEB requirements, indicative RTC 3-2022”, published in the Official Journal No. 1099 and 1099bis on 15 November 2022 (hereinafter referred to as “Ministerial Order No. 2819/2022”);
- iii. Copy of Order of Minister of Development, Public Works and Administration No. 2818/2022 for the application of the technical regulation “Guideline for implementing the measures to increase the energy performance applicable to new buildings, in the design, execution and reception of buildings, exploitation and monitoring of construction behaviour in time for fulfilment of NZEB requirements, indicative RTC 4-2022, published in the Official Journal no. 1098 and 1098bis on 15 November 2022 (hereinafter referred to as “Ministerial Order No. 2818/2022”);
- iv. Copy of Order of the Minister of Culture No. 3568/2022 for the application of the methodology for non-binding approach of energy efficiency in buildings with history and architectural value, published in the Official Journal No. 1260 and 1260bis on 28 December 2022 (hereinafter referred to as “Ministerial Order No. 3568/2022”);
- v. Copy of Order of the Minister of Development, Public Works and Administration No. 2221/2023 for the approval of the technical regulation “Guideline on management and monitoring of information generated in the BIM system, indicative RTC 8-2022”, published in the Official Journal No. 950 and No. 950bis on 20 October 2023 (hereinafter referred to as “Ministerial Order No. 2221/2023”);
- vi. Copy of Order of the Minister of Development, Public Works and Administration No. 2224/2023 for the approval of the technical regulation “Guideline on the use of digital construction data generation and management tools, indicative RTC 9-2022”, published in the Official Journal No. 975 and No. 975bis on 27 October 2023 (hereinafter referred to as “Ministerial Order No. 2224/2023”);
- vii. Copy of Memorandum on the approval of the roadmap for the implementation of the BIM methodology at national level, in public funded investment projects in the construction sector;
- viii. Copy of applicants’ guidelines for call for project “PR BI P3/3.1/1/2024 – Call dedicated to energy renovation of residential buildings” of April 2024;
- ix. Copy of applicants’ guidelines for call for project “Smart Specialisation Park Baia Din Maramureş County” of 13 February 2024;
- x. Copy of opinion on the Consolidation, Rehabilitation, Modernisation and Energy Efficiency of Building Administrative Palace of Dolj County, a historic monument of national interest” of 20 September 2023.

**Analysis:**

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

**The technical regulatory framework shall include the following guidelines adopted and operational:**

**1. “The Nearly Zero Energy Building (NZEB) guidelines” shall provide guidance on the technical implementation of NZEB requirements, to support the central public administration authorities responsible for the monitoring of the implementation of the NZEB requirements.**

Ministerial Order No. 2818/2022 (included in point (iii) of the evidence provided) approves the technical regulation ‘the NZEB guidelines for new buildings’, which is contained in Annex 1 to the same Ministerial Order, in accordance with its Article 1. Ministerial Order No. 2818/2022 was published in the Official Journal No. 1098 and 1098bis on 15 November 2022 and entered into force 30 days later, in accordance with its Article 2.

Article 1 of Ministerial Order No. 2819/2022 (included in point (ii) of the evidence provided) approves the technical regulation ‘the NZEB guidelines for existing buildings’, which is contained in Annex 1 to the same Ministerial Order, in accordance with Article 1. Ministerial Order No. 2819/2022 was published in the Official Journal No. 1099 and 1099bis on 15 November 2022 and entered into force 30 days later, in accordance with its Article 2.

The NZEB guidelines for new and for existing buildings provide in their Articles 1 that the guidelines are technical regulations addressed to all the stakeholders involved, including the central public administration authorities, provided for in Law no. 10/1995 related to quality in construction, republished, with subsequent amendments and additions, to support them in the application of legislative obligations in the field. Given their nature of technical regulations, the guidelines are mandatory upon their entry into force.

Both NZEB guidelines provide operational steps on the technical implementation of NZEB requirements, notably the specific requirements of the legislative and regulatory framework (Chapter 2, page 9 onwards), general aspects like design concept, technical documentation and authorisation of NZEB buildings for stakeholders to consider (Chapter 3, page 13 onwards), relevant actions during the contracting and construction phases (Chapter 4, page 29 onwards), verification in the acceptance phase (Chapter 5, page 38 onwards) and maintenance and monitoring steps during the operational phase (Chapter 6, page 42 onwards). The guidelines therefore contain the relevant steps that architects, engineers, builders, as well as the central public administration authorities responsible for the monitoring of the implementation of the NZEB requirements should follow to put in practice the NZEB requirements.

The NZEB guidelines are operational, as is visible for example in applicant guidelines for construction projects which receive public funds. For instance, the applicant guidelines for call for project “PR BI P3/3.1/1/2024 – Call dedicated to energy renovation of residential buildings” (included in point (viii) of the evidence provided), include an indicative list in section 2.3 of applicable legislative acts which applicants must take into account. This list includes both NZEB guidelines. The applicant’s guidelines for call for project “Smart Specialisation Park Baia Din Maramureş County” (included in point (ix) of the evidence provided) also refer to the NZEB guidelines (page 85).

**The guidelines shall include the relevant indicators and the mechanisms for their collection and monitoring.**

Chapter 2 of the NZEB guidelines (as approved by Ministerial Order No. 2819/2022 and by Ministerial Order No. 2818/2022, respectively) include the performance indicators for existing and new buildings. The NZEB guidelines also include the mechanisms for the collection and monitoring of performance indicators during each phase (pages 43-45 in the NZEB guidelines for new buildings



and pages 45-47 in the NZEB guidelines for existing buildings).

**2. “The methodology for non-invasive approach of energy efficiency on historical buildings” shall establish standards to achieve energy and resource efficiency savings for historical buildings without affecting their architectural and historical value.**

Ministerial Order No. 3568/2022 (included in point (iv) of the evidence provided) approves the ‘Intervention methodology for the non-invasive approach to energy efficiency in buildings with historical and architectural value’ (‘the methodology’) which is contained in Annex 1 to the same Ministerial Order, in accordance with its Article 1. It was published in the Official Journal No. 1260 and 1260bis on 28 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. Moreover, Ministerial Order No. 3568/2022 contains all provisions to ensure that the methodology is operational upon its entry into force.

Chapter III of the methodology identifies measures to reconcile interventions to protect heritage buildings with interventions that improve energy efficiency, without affecting architectural and historical value. To this aim, the identified standards focus on interventions such as improvements at building envelope level that respect historical and cultural value, optimising technology to reduce consumption through the use of renewable energies and control of humidity.

Chapter IV of the methodology establishes a methodological approach for ex ante analysis and expertise of historical buildings, including their assessment of energy and resource efficiency. Chapter V of the methodology establishes standards for structural interventions that achieve energy and resource efficiency savings, such as reduction of humidity and treatment of thermal bridges. Chapter VI of the methodology establishes standards for internal optimisations that achieve energy and resource efficiency savings, such as heating and electricity installations.

The methodology is operational, as is visible in authorisations for renovation of historical buildings issued by the Ministry of Culture. As an example, the “Opinion on the Consolidation, Rehabilitation, Modernisation and Energy Efficiency of Building Administrative Palace of Dolj County, a historic monument of national interest” (included in point (x) of the evidence provided) issued by the Ministry of Culture on 20 September 2023 gives a favourable opinion for the planned renovation works subject to following the relevant provisions of the methodology.

**Furthermore, in line with the description of the measure, as regards the new technical regulatory framework, it shall include the following guidelines adopted and operational: [...] guidelines to facilitate the implementation of the Building Information Modelling (BIM)[...].**

Romania adopted a memorandum on the approval of the roadmap for the implementation of the Building Information Modelling methodology (‘BIM methodology’) at national level (included in points (vi) of the evidence provided), for public funded investments in the construction sector on 16 September 2023. The memorandum contains in its annex a BIM roadmap which includes: (i) specific objective 3 concerning policies, legislation and the relevant regulatory framework for the implementation of BIM and (ii) action 3.6 related to the development of a package of specific technical regulation for BIM implementation. As a result, Romania adopted two specific technical regulations for BIM implementation:

Ministerial Order No. 2221/2023 (included in point (vii) of the evidence provided), approves the technical regulation ‘Guide to the management and monitoring of information generated in the BIM system, indicative RTC 8-2022’ (‘BIM management and monitoring guidelines’), which is contained in Annex 1 to the same Ministerial Order, in accordance with its Article 1. Ministerial Order No. 2221/2023 was published in the Official Journal No. 950 and 950bis on 20 October 2023 and entered into force 30 days later, in accordance with its Article 2. Given their nature of technical regulation, the BIM management and monitoring guidelines are mandatory upon their entry into

force.

Article 3 of Ministerial Order No. 2221/2023 provides that the BIM management and monitoring guidelines applies to public sector pilot investment objectives/projects, which constitutes the start of the introduction of BIM at national level and the implementation of pilot projects. The pilot projects, which are to apply the BIM management and monitoring guidelines, provide the basis for the development and expansion of the large-scale BIM at national level concerning public works.

Moreover, the BIM management and monitoring guidelines consist of concrete technical provisions, notably to build a building information modelling basis (Part I), including e.g. BIM responsibilities and implementing steps, and management of BIM information (Part II), including actors and organisation of information.

Ministerial Order No. 2224/2023 (included in point (viii) of the evidence provided) approves the technical regulation 'Guide to the use of BIM tools in the generation and management of digital construction data, RTC 9-2022' ('BIM tools guidelines'), which is contained in Annex 1 to the same Ministerial Order, in accordance with its Article 1. Ministerial Order No. 2224/2023 was published in the Official Journal No. 975 and 975bis on 27 October 2023 and entered into force 30 days later, in accordance with its Article 2. Given its nature of technical regulation the BIM tools guidelines are mandatory upon their entry into force.

Article 3 of Ministerial Order No. 2224/2023 provides that the BIM tools guidelines apply to public sector pilot investment objectives/projects, which constitutes the start of the introduction of BIM at national level and the implementation of pilot projects. The pilot projects, which will apply the BIM tools guidelines, provide the basis for the development and expansion of the large-scale BIM at national level concerning public works. Moreover, the BIM tools guidelines consist of concrete technical provisions, such as steps to follow and responsibilities of actors in the different phases of construction. The annexes of the BIM tools guidelines also contain examples and tools that help implement the BIM guidelines.

The Romanian authorities have taken steps to ensure the operationalisation of both BIM guidelines. For instance, they have organised and conducted information and training sessions on the BIM guidelines, to familiarise stakeholders with the BIM concept, its implementation in Romania and the presentation of the roadmap, the management and monitoring of the information generated in the BIM system, the use of digital building data generation and management tools. Such events took place on 5 July 2023 and 7 December 2023 in hybrid format, with videos accessible under <http://www.facebook.com/SIPOCA731/videos>.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 93</b>	<b>Related Measure: Strategic, legislative and procedural framework to support seismic resilience of the buildings stock</b>	
<b>Name of the Milestone:</b> Adoption and implementation of the National Seismic Risk Reduction Strategy for the seismic retrofitting the existing building stock		
<b>Qualitative Indicator:</b> Adoption of the National Seismic Risk Reduction Strategy by the government		<b>Time:</b> Q4 2022
<b>Context:</b> The measure aims to provide a strategic, legislative and procedural framework to support seismic resilience of the buildings stock. It consists of two sub-reforms, (i) the adoption of a National Seismic Risk Reduction Strategy (sub-reform C5.R2.a) and (ii) optimising the legislative framework for seismic risk reduction of existing buildings (sub-reform C5.R2.b). The National Seismic Risk Reduction Strategy shall include an action plan with specific objectives to reduce the seismic risk in		

the short, medium and long term for the different types of vulnerable buildings, including raising public awareness and strengthening the institutional capacity of seismic management, while ensuring an integrated and consistent approach between energy and seismic renovations planning.

Milestone #93 is part of sub-reform C5.R2.a and requires the adoption of a National Seismic Risk Reduction Strategy, defining the criteria for prioritising investments in the reduction of seismic risk for the existing building stock based on the level of seismic risk for buildings and communities and the benefits of risk reduction actions. The milestone also requires the National Seismic Risk Reduction Strategy to introduce a rapid visual assessment methodology for second level of seismic risk assessment, with the aim to contribute to reducing the time needed to effectively complete the prioritisation of the building stock interventions, and to take into account the measures proposed by the Long-Term Renovation Strategy through the development of a mandatory integrated intervention guide.

Milestone #93 is the only milestone of sub-reform C5.R2.a. In parallel, milestone #94 (the only milestone of sub-reform reform C5.R2.b) requires the entry into force of the new law on seismic risk reduction of buildings (see relevant fiche below).

**Evidence provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii. Copy of Government Decision No. 1442/2022 for the approval of the National Seismic Risk Reduction Strategy, published in the Official Journal No. 1195 and 1195bis on 13 December 2022 (hereinafter referred to as “Government Decision No. 1442/2022”);
- iii. Copy of Order of Ministry of Development, Public Works and Administration No. 3230/2022 for the approval of the technical regulation “Guideline for integrated intervention works on multi-family residential and public buildings, indicative RTC 1-2022”, published in the Official Journal No. 1213 and 1213bis on 20 December 2022 (hereinafter referred to as “Ministerial Order No. 3230/2022”);
- iv. Copy of Order of the Ministry of Development, Public Works and Administration No. 3231/2022 for the approval of the technical regulation “Methodology for rapid visual assessment of buildings, indicative RTC 10-2022”, published in the Official Journal No. 1221 and 1221bis on 20 December 2022 (hereinafter referred to as “Ministerial Order No. 3231/2022”).
- v. Copy of the National Long-Term Renovation Strategy, published in the Official Journal No. 1247bis on 17 December 2020 (hereinafter referred to as “the National Long-Term Renovation Strategy”)

**Analysis:**

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

**The strategy shall define the criteria for prioritising investments in the reduction of seismic risk for the existing building stock based on the level of seismic risk for buildings and communities and the benefits of risk reduction actions.**

The National Seismic Risk Reduction Strategy (NSSRS) was adopted by Government Decision No. 1442/2022 (included in point (ii) of the evidence provided), published in the Official Journal on 13 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. As explained in subchapter 7.3, the NSSRS defines criteria for prioritising investment in the reduction of seismic risk for the existing building stock that consider the risk for the buildings and communities, as well as the benefits of risk reduction actions (page 54). The two-step prioritisation process, including parameters to be considered, is further detailed in Section 10 of the NSSRS (page 128). Parameters include seismic hazard, year of construction, importance of the building and may also include other criteria used to rank buildings according to the benefits to communities served.

**The introduction of rapid visual assessment methodology for second level of seismic risk assessment shall contribute to reducing the time needed to effectively complete the prioritisation of the building stock interventions based on vulnerability data from several years to several months.**

The NSSRS proposes a new approach to assess seismic risk in Romania, moving from the current one-step approach – technical expertise, which requires substantial financial and technical efforts, to a step-by-step, three-tier approach that guides investment decisions in planning large-scale interventions (section 7.1). The second level of seismic risk assessment consists of the rapid visual assessment, also called typological assessment or visual typology assessment.

The Council Implementing Decision required the introduction of rapid visual assessment methodology for second level of seismic risk assessment through the NSSRS. However, Romania has approved the introduction of rapid visual assessment methodology through Ministerial Order No. 3231/2022 (included in point (iv) of the evidence provided). According to its Article 1, the Ministerial Order approves the technical regulation “Methodology for rapid visual assessment of buildings, indicative RTC 10-2022” (“the methodology”), which is included in Annex 1. Ministerial Order No. 3231/2022 was published in the Official Journal on 20 December 2022 and entered into force 30 days later, as provided by its Article 3. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, in the Romanian legal system the development and approval of methodologies are done through Ministerial Orders and not Government Decisions. Furthermore, the legal framework which outlines the approval of the methodology through a Ministerial Order is Article 35 of Law 212/2022 on certain measures to reduce the seismic risk of buildings, which foresees that the rapid visual assessment methodology shall be approved by order of the Minister of Development, Public Works and Administration. Therefore, this deviation is acceptable, given that the approval of the methodology through the Ministerial Order follows standard internal procedures of the Member State. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Whereas previously, an expertise of the entire building (interior and exterior) by a technical expert was required, the new methodology introduces visual inspections (from outside the building) and predefined forms. As explained in section 7.1 of the NSSRS, the assessment of a building no longer requires certified experts or project verifiers and may be conducted by specialised technical staff. In addition, a rapid visual assessment “must take between 15 minutes and 75 minutes”. Some building data can be collected from available public databases. The NSSRS in section 7.1 explains that the previously required technical survey “requires more time and the existence of certified technical experts”. By introducing the above-mentioned simplifications of the assessment methodology, the introduction of rapid visual assessment methodology for second level of seismic risk assessment therefore contributes to significantly reducing the overall assessment time from several years to several months on average.

**It shall take into account the measures proposed by the Long-Term Renovation Strategy through the development of a mandatory integrated intervention guide. Furthermore, in line with the description of the measure, the reform shall ensure an integrated and consistent approach between energy and seismic renovations planning.**

Section 4 of the NRSS on existing priorities, policies and legal framework, describes the actions under the National Recovery and Resilience Plan, requiring the development of the Guide to Integrated Intervention Work.

Ministerial Order No. 3230/2022 (included in point (iii) of the evidence provided) approved the technical guideline for integrated intervention works on multi-family residential and public buildings, indicative RTC 1-2022. It was published in the Official Journal on 20 December 2022 and contains the technical guidelines (“mandatory integrated intervention guide”) in Annex 1. It entered into force 30 days later, as provided by its Article 2.

The mandatory integrated intervention guide implements the Long-Term Renovation Strategy and the NSSRS with regard to the integrated approach to renovation, thereby aligning the NSSRS with the Long-Term Renovation Strategy.

The National Long-Term Renovation Strategy under its Chapter VII (“Chapter VII Directions for action”) recommends an “integrated approach to renovation”. The NSSRS takes into account the measures proposed by the National Long-Term Renovation Strategy regarding the integrated approach to renovation. Chapter 7 sets out the NSSRS’s strands of action, which include “integrated solutions” in Chapter 7.2. In this context, Chapter 7.2 of the NSSRS makes reference to Chapter 7 on safety issues of the National Long-Term Renovation Strategy and the three measures to integrate seismic risk into energy efficiency investments contained therein: (i) structural surveys and technical inspections to be carried out on buildings, determining measures relevant to the structural safety of buildings prior to major energy efficiency renovations; (ii) the cost-benefit analysis for vulnerable buildings, comparing at least two mandatory alternatives – nearly zero-energy building renovation (nZEB), together with measures to increase seismic safety, or demolition and construction of a new building in line with nZEB requirements; and (iii) mandatory requirement to increase seismic safety of buildings based on the results of the above cost-benefit analysis.

The mandatory integrated intervention guide details measures to increase energy efficiency and reduce seismic risk and informs about the relevant steps to take. Thereby it integrates seismic assessments into the necessary steps for complying with energy efficiency requirements. Notably, Section 3.2 sets out that structural surveys and technical inspections on seismic risk of buildings which are to undergo energy efficiency renovations with public financial support. This takes up measure (i) from Chapter 7 of the National Long-Term Renovation Strategy and from Chapter 7.2 of the NSSRS. Furthermore, Section 5.1 specifies in which situations integrated renovation works are needed and Section 5.2.1 which provides the methodology for the cost-benefit-analysis of integrated renovation. This takes up measure (ii) from Chapter 7 of the National Long-Term Renovation Strategy and from Chapter 7.2 of the NSSRS.

As outlined above, the Long-Term Renovation Strategy was adopted on 17 December 2020 and the NSSRS was adopted on 13 December 2022, whereas the mandatory integrated intervention guide was adopted on 20 December 2022 and entered into force 30 days later, which is after the adoption of the NSSRS and National Long-Term Renovation Strategy.

Furthermore, in line with the description of the measure, the **Strategy shall include an action plan with specific objectives to reduce the seismic risk in the short, medium and long term (2030, 2040 and 2050) for the different types of vulnerable buildings, including raising public awareness and strengthening the institutional capacity of seismic management.**

As provided in section 5 on the general and specific objectives, the NSSRS’s first objective focuses on reducing seismic risk at national level through prioritised and efficient investments leading to saving lives, protecting assets and reducing material damage. The second objective of NSSRS is to ensure associated benefits in terms of improving the sustainability and functionality of the built fund, namely to improve social inclusion. The NSSRS’s third objective is increasing resilience. The fourth objective of NSSRS is to raise public awareness of seismic risk and to promote inclusive participation and action in the implementation of risk reduction measures.

In order to achieve these general objectives, the NSSRS breaks them down into specific objectives and corresponding actions in Figure 5.1 on page 48. The NSSRS includes an action plan to achieve the objectives to reduce the seismic risk in the short, medium and long term (2030, 2040 and 2050). In particular:

- short-term actions (covering 2022-2026) are listed in table 7.1 (pages 57-67);
- medium-term actions (covering 2027-2040) are listed in table 7.2 (pages 68-77);
- long-term actions (covering 2041-2050) are listed in table 7.3 (page 77-84).

These include actions to achieve the specific objectives of raising public awareness and strengthening the institutional capacity of seismic management, under the categories “institutionalisation of communication for seismic risk, as a long-term, impact-oriented effort with dedicated resources”, “use of communication to mobilise the actions to reduce seismic risk” and “strengthening the capacity of the authorities and citizens to use seismic risk data in decision-making for public or private policies and investments”.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 94</b>	<b>Related Measure: Strategic, legislative and procedural framework to support seismic resilience of the buildings stock</b>	
<b>Name of the Milestone:</b> Entry into force of the new law on seismic risk reduction of buildings		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the new law on seismic risk reduction of buildings		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>The measure aims to provide a strategic, legislative and procedural framework to support seismic resilience of the buildings stock. It consists of two sub-reforms, (i) the adoption of a National Seismic Risk Reduction Strategy (reform C5.R2.a) and (ii) optimising the legislative framework for seismic risk reduction of existing buildings (reform C5.R2.b).</p> <p>Milestone #94 is part of sub-reform C5.R2.b and requires the entry into force of the new law on seismic risk reduction of buildings, (i) including a multi-annual approach for retrofitting the existing building stock, (ii) introducing in the list of eligible expenses the different eligible types of works necessary to increase energy performance, (iii) extending the programme to public buildings alongside with multifamily residential buildings and (iv) introducing the second seismic class among the eligible criteria, alongside with the first seismic class.</p> <p>Milestone #94 is the only milestone of sub-reform C5.R2.b. In parallel, milestone #93 (the only milestone of sub-reform reform C5.R2.a) requires the adoption of a National Seismic Risk Reduction Strategy (see relevant fiche above).</p>		
<b>Evidence provided:</b>		
<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"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;</li> <li>ii. Copy of Law No. 212/2022 on measures to reduce the seismic risk of buildings, published in the Official Journal, Part I, No. 708 on 14 July 2022 (hereinafter referred to as “Law No.</li> </ol>		

- 212/2022”);
- iii. Copy of Order of Ministry of Development, Public Works and Administration No. 2853/2023 for approving the implementing rules of Law no. 212/2022 on measures to reduce the seismic risk of buildings, published in the Official Journal No. 1085 on 10 November 2023 (hereinafter referred to as “Ministerial Order No. 2853”).

**Analysis:**

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

**Entry into force of the new law on seismic risk reduction of buildings.**

The new law on seismic risk reduction of buildings, Law No. 212/2022 (included in point (ii) of the evidence provided) was published in the Official Journal on 14 July 2022. It entered into force on 29 July 2022, 15 days after its publication in the Official Journal, in accordance with its Article 38.

As required by Article 32 of Law No. 212/2022, implementing rules were adopted by Ministerial Order No. 2853 and published in the Official Journal on 10 November 2023. They entered into force on 1 January 2023, in accordance with their Article 3.

**The law shall cover the following actions:**

**- include a multi-annual approach for retrofitting the existing building stock**

Article 11 of Law No. 212/2022 establishes a multiannual national programme for the consolidation of buildings at high seismic risk (“the programme”), with the general objective to design and execute interventions on existing buildings with insufficient levels of protection from seismic actions, degraded or damaged by seismic actions.

**- introduce in the list of eligible expenses the different eligible types of works necessary to increase energy performance;**

Article 17 of Law No. 212/2022 introduces categories of eligible expenses and types of works, including expenditure for the provision of utilities necessary for the objective of the investment financed through the programme, one of which is to increase energy efficiency, as established by Article 11(2). In particular, Article 17(1) point b) establishes as eligible expenses, *inter alia*, the expenses for the energy audit and preparation of the energy performance certificate after the intervention, as well as expenses for the preparation of the technical project and execution details, technical verification of the project and technical assistance from the designer of the project.

Furthermore, Article 11(2) establishes that the programme has as its general objective the design and execution of interventions on existing buildings with insufficient levels of protection from seismic actions, and buildings that have been degraded or damaged by seismic actions. These interventions aim, among others, at increasing the energy efficiency of these buildings.

**- extend the programme to public buildings alongside with multifamily residential buildings;**

Article 12 of Law 212/2022 details the structure of the programme into two subprogrammes, one of them covering buildings of public interest and utility that are owned by central or local public administration.

**- introduce the RslI seismic class among the eligible criteria, alongside with Rsl seismic class.**

Article 11(3) of Law 212/2022 specifies that the buildings classified in the seismic risk class Rsl or RslI are included in the programme.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>improve the energy efficiency of the existing building stock</b>	
<b>Name of the Milestone:</b> Signature of contracts for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for residential buildings	
<b>Qualitative Indicator:</b> Signature of contracts	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #99 is part of Axis 1 of investment C5.I1, which aims to improve the energy renovation rate of residential buildings by 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.</p> <p>Milestone #99 requires the signature of contracts for the energy efficiency and integrated renovations of residential buildings under the national financing scheme set up under this investment.</p> <p>Milestone #99 is the third milestone in the implementation of Axis 1 of investment C5.I1, and it follows the completion of milestones #95 and #97, positively assessed in the context of Romania's second payment request, related to the launch of the three calls for proposals to finance renovation measures covering at least 3.2 million square meters of residential buildings. It will be followed by targets #101 and #103 related to the number of square meters of multi-family residential buildings renovated. The investment has a final expected date for implementation in June 2026.</p>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;</li> <li>ii. List of contracts signed by the Ministry of Development, Public Works and Administration with local authorities;</li> <li>iii. Copies of 60 contracts signed (on the basis of a sample).</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.</p> <p><b>Signature of contracts for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for the transition to green and resilient buildings (residential buildings), shall be made in line with the conditions of milestones 95 and 97.</b></p> <p>The Romanian authorities provided an Excel file, which specifies the beneficiaries for each signed contract. Following the selection of a random sample of signed contracts, Romania submitted copies of 60 contracts for the energy efficiency renovation and integrated renovation of residential buildings signed by the Ministry of Development, Public Works and Administration and local authorities.</p> <p>The evidence provided for the contracts in the sample confirmed that each contract: (i) has been signed by a representative of the Ministry of Development, Public Works and Administration on the one hand and a representative of the respective local public authority on the other hand; (ii) specifies the subject of the funding, namely energy efficiency renovation or integrated renovation (seismic consolidation and energy efficiency) of residential buildings; (iii) includes a provision laying</p>	



down that the signatories must observe the terms of reference of the relevant call for applications established respectively via Ministerial Order No. 442/2022, Ministerial Order No. 443/2022 and Ministerial Order No. 444/2022. Thereby, the contracts are in line with requirements of milestone #95 and #97, as assessed under Romania's second payment request. Ministerial Order No. 442/2022, Ministerial Order No. 443/2022 and Ministerial Order No. 444/2022 were published for the purpose of fulfilling milestone #95 on the publication of the ministerial order establishing the financing scheme, as well as with milestone #97 on the publication of call specifications under this scheme, each Ministerial Order covering a one of the three calls required under milestone 97.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 100</b>	<b>Related Measure: Establishment of a Renovation Wave fund to finance works to improve the energy efficiency of the existing building stock</b>	
<b>Name of the Milestone:</b> Signature of contracts for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for public buildings		
<b>Qualitative Indicator:</b> Signature of contracts		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #100 is part of Axis 2 of investment C5.I1, which aims to support the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) of public buildings by 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 shall be installed.</p> <p>Milestone #100 requires the signature of contracts for the energy efficiency and integrated renovation of public buildings under the national financing scheme set up under this investment.</p> <p>Milestone #100 is the third milestone in the implementation of Axis 2 of investment C5.I1, and it follows the completion of milestones #96 and #98, positively assessed in the context of Romania's second payment request, related respectively to the establishment of, and launching the calls for proposals under, 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. It will be followed by targets #104 and #106, as well as by target #514 of Component 16 - REPowerEU, related to completion of energy renovation of 2 264 351 m<sup>2</sup> of public buildings. The investment has a final expected date for implementation in Q2 2026.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;</li> <li>ii. List of contracts signed by the Ministry of Development, Public Works and Administration with local authorities;</li> <li>iii. Copies of 60 contracts signed (on the basis of a sample).</li> </ol>		
<b>Analysis:</b>		

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

**Signature of contracts for the energy efficiency renovation and integrated renovation (seismic consolidation and energy efficiency) for the transition to green and resilient buildings (public buildings), shall be made in line with the conditions of milestones 96 and 98.**

The Romanian authorities provided an Excel file, which specifies the beneficiaries for each signed contract. Following the selection of a random sample of signed contracts, Romania submitted copies of 60 contracts for the energy efficiency renovation and integrated renovation of public buildings signed by the Ministry of Development, Public Works and Administration and local authorities.

The evidence provided for the contracts in the sample confirmed that each contract: (i) has been signed by a representative of the Ministry of Development, Public Works and Administration on the one hand and a representative of the respective local public authority on the other hand; (ii) specifies the subject of the funding, namely energy efficiency renovation or integrated renovation (seismic consolidation and energy efficiency) of public buildings; (iii) includes a provision laying down that the signatories must observe the terms of reference of the relevant call for applications established respectively via Ministerial Order No. 440/2022 and Ministerial Order No. 441/2022. Thereby, the contracts are in line with requirements of milestones #96 and #98, as assessed under Romania's second payment request. Ministerial Order No. 440/2022 and Ministerial Order No. 441/2022 were published for the purpose of fulfilling milestone #96 on the publication of the ministerial order establishing the financing scheme, as well as with milestone #98 on the publication of call specifications under this scheme, each Ministerial Order covering a one of the two calls required under milestone 98.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 127</b>	<b>Related Measure: Reducing the energy intensity of the economy by developing a sustainable mechanism to boost energy efficiency in industry</b>	
<b>Name of the Milestone:</b> Entry into force of the legislative framework introducing measures to facilitate investment in energy efficiency in the industry		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislative act		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>The objective of reform C6.R5 is to facilitate investments in energy efficiency in industry and increase the resilience of the industrial sector. This shall be achieved through measures such as reducing energy consumption, developing systems to digitise energy consumption metering, and increasing energy and heat self-consumption.</p> <p>Milestone #127 requires the entry into force of the legislative framework introducing measures to facilitate investment in energy efficiency in the industry. Milestone #127 is the only milestone or target of this reform.</p>		
<b>Evidence provided:</b>		
<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"> <li>i. Summary document duly justifying how the milestone (including all the constitutive</li> </ol>		

- elements) was satisfactorily fulfilled;
- ii. Copy of Government Emergency Ordinance No. 119/14.12.2023 on the regulation of standards for ecological financial instruments dedicated to supporting energy efficiency improvement measures in industry, as well as on the amendment of Law No. 121/2014 on energy efficiency, published in the Official Journal No. 1142 on 18 December 2023, entered into force on the day of its publication (hereinafter referred to as “GEO No. 119/2023”);
  - iii. Copy of Law No. 217/9.7.2024 approving Government Emergency Order No 119/2023 on the regulation standards for green financial instruments dedicated to support measures improving energy efficiency in industry, and amending Law No. 121/2014 on energy efficiency, published in the Official Journal No. 654 on 9 July 2024, entered into force on the day of its publication (hereinafter referred to as “Law No. 217/2024”)
  - iv. Copy of Government Decision No. 1329/29.12.2023 for the approval of certain measures necessary for the operation of companies providing energy design and performance services (hereinafter referred to as “GD No. 1329/2023”), published in the Official Journal No. 1192 on 29 December 2023, entered into force on the day of its publication, with the exception of Article 4 which entered into force 30 days later;
  - v. Copy of Government Decision No. 55/19.1.2011 on establishing eco-design requirements for products with an energy impact (hereinafter referred to as “GD No. 55/2011”), published in the Official Journal No. 121 on 17 February 2011, entered into force on day of its publication;
  - vi. Copies of Cooperation Protocol No. 233587/DEE/17.10.2022(MoE) / No. 9406/13.10.2022 between the Ministry of Energy and the InfoCons Association on consulting and supporting each other in initiating and running programmes and campaigns to inform and educate citizens in the field of energy;
  - vii. Copies of Cooperation Protocol No. 380234/DEE/22.02.2021(MoE) / No. 2/17.02.2021 between the Ministry of Energy and the Intelligent Energy Association on the public promotion of energy efficiency activity in Romania;
  - viii. Copies of Cooperation Protocol No. 380235/DEE/22.02.2021(MoE) / No. 125/24.02.2021 between the Ministry of Energy and the Federation of Energy Companies Association with a view to applying the provisions of Law No 121/2014 on energy efficiency, as amended and further additions, in accordance with the powers of the Directorate for Energy Efficiency;
  - ix. Copies of Partnership agreement No. 19529/SIB/28.12.2023(MoE) / No. 1/03.04.2023 between the Romanian government and Special Telecommunications Service for the development and technical operationalisation of a monitoring system for the implementation of energy audit recommendations in the ETS sector.

**Analysis:**

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

**Entry into force of the legislative framework introducing measures to facilitate investment in energy efficiency in the industry.**

The legislative framework containing the relevant provisions has been established by way of GEO No. 119/2023, Law No. 217/2024, GD No. 1329/2023, and GD No. 55/2011. Pursuant to Article 12 (2) of Law No. 24/2000 regarding the rules of legislative technique for the elaboration of normative acts, republished, Government emergency ordinances enter into force on the date of their publication in the Official Journal, Part I, subject to their prior submission to the competent Chamber to be notified, and provided that a later date of entry into force is not established in the Government emergency ordinance. GEO No. 119/2023 was published in Official Journal No. 1142 on 18 December 2023 and, in line with the provisions of Article 12(2) of Law 24/2000, entered into

force on the day of its publication. It has been approved by Law No. 217/2024 which was published in the Official Journal No. 654 on 9 July 2024. GD No. 1329/29.12.2023 was published in the Official Journal on 29 December 2023 and, in line with its Article 5, entered into force on the day of its publication in Part I of the Official Journal, with the exception of Article 4, which entered into force 30 days after this date. GD No. 55/2011 was published in Official Journal no. 55 of 19 January 2011 and, in line with the provisions of Article 12(2) of Law 24/2000, entered into force on the day of its publication. The measures to facilitate investment in energy efficiency in the industry include model and framework contracts, a monitoring tool for energy audit recommendations, and new standards in eco-design and on DNSH-criteria.

**The reform shall:**

**(i) Remove obstacles to energy performance contracting;**

Milestone 127 is the only milestone under this reform. Therefore, the fulfilment of the Council Implementing Decision requirement that “The reform shall: i) remove obstacles to energy performance contracting; ii) introduce market surveillance and application of standards for energy efficiency to ensure product compliance with eco-design standards, iii) improve SMEs awareness of energy efficiency; iv) create a monitoring system for the implementation of the recommendations from energy audits in the ETS sectors; v) introduce new standards for green financial instruments” has been assessed at the level of the legislative framework which entered into force for the purpose of fulfilling this milestone. Chapter II of GEO No. 119/2023 adds letter l to Article 3, paragraph 2 of Law No. 121/2014 and creates the legal basis for the implementation of Energy Performance Contracts. Namely, the text specifies that the legal framework for approving the rules on the conclusion and implementation of energy performance framework contracts shall be proposed by the Ministry of Energy and approved by joint order of the heads of the central public authorities concerned. Articles 1-4 of GD No. 1329/2023 lay down the concrete rules on the conclusion and implementation of the energy performance framework contracts. Article 1(2) introduces the provision of Model Contracts which include specific clauses to guarantee energy savings and protect consumer rights. This facilitates easier and standardized contracting for energy performance services. Moreover, framework contracts signed by ministers shall be used to further streamline the process. Article 3(1) establishes a national database for Energy Service Companies (ESCOs) facilitating it for stakeholders to better identify and engage with qualified service providers. These measures reduce barriers and enhance the attractiveness of energy performance contracting.

**(ii) Introduce market surveillance and application of standards for energy efficiency to ensure product compliance with eco-design standards;**

Chapter II of GEO No. 119/2023 amends Article 3, paragraph 3 of Law No. 121/2014 and designates the Ministry of Energy as the competent national authority that coordinates the application of standards set by the EU legislation on energy labelling and energy efficiency of certain product categories as well as for market surveillance regarding energy labelling. Article 2 of GD No. 55/2011 designates the Ministry of Economy, Trade and Business Environment as the competent authority for setting the eco-design standards for energy-related products. Article 3 of GD No. 55/2011 sets out the need for products to comply with the eco-design standards pursuant to Directive 2009/125/EC and introduces the monitoring of this compliance via designated market surveillance authorities. The thus-established legislative framework ensures the compliance with eco-design standards by way of the provision that products have to comply with eco-design standards, the specification of these standards, the designation of market surveillance authorities.

**(i) Improve SMEs’ awareness of energy efficiency; Furthermore, in line with the description of the measure, the reform shall: (...) iii) improve SMEs awareness of energy efficiency measures, programmes and benefits;**

Chapter II of GEO No. 119/2023 adds paragraphs 15-17 to Article 9 of Law No. 121/2014 to specify

the role of the Ministry of Energy and the Ministry of Economy, Entrepreneurship and Tourism in promoting SMEs' awareness of energy efficiency. Namely, the paragraphs stipulate that both ministries: (i) shall develop programmes to encourage SMEs to undergo energy audits and implement the recommendations resulting from these audits; (ii) may develop programmes to finance these audits and the resulting implementation in compliance with State aid legislation, and (iii) shall promote information materials on energy management systems. Article 15-17 stipulate that the Ministry of Energy, together with the Ministry of Economy, Entrepreneurship, and Tourism, is tasked with promoting information materials on energy management systems aimed at improving the activities of SMEs. SMEs are made aware about the possibility to undergo energy audits and benefit from the possibility of schemes covering the costs of them and cost-effective implementation of obtained recommendations.

Romania provided evidence regarding the concrete implementation of actions to promote awareness on the programmes and benefits of energy efficiency among SMEs. In particular, it provided the following cooperation protocols with three different associations: (i) Cooperation Protocol No. 233587/DEE/17.10.2022 between the Ministry of Energy and the InfoCons Association on consulting and supporting each other in initiating and running programmes and campaigns to inform and educate citizens in the field of energy, but as well mentioning particularly small and medium enterprises; (ii) Cooperation Protocol No. 380234/DEE/22.02.2021 between the Ministry of Energy and the Intelligent Energy Association on the public promotion of energy efficiency activity in Romania; and (iii) Cooperation Protocol No. 380235/DEE/22.02.2021 between the Ministry of Energy and the Federation of Energy Companies Association with a view to applying the provisions of Law No 121/2014 on energy efficiency, as amended and further additions, in accordance with the powers of the Directorate for Energy Efficiency. All these cooperation protocols include contractual obligations for the Ministry of Energy and the respective associations to initiate and organise actions to promote energy efficiency programmes, by developing projects, campaigns and information materials promoting energy efficiency and related topics to citizens and businesses.

**(ii) Create a monitoring system for the implementation of the recommendations from energy audits in the ETS sectors;**

Chapter II of GEO no. 119/2023 amends Article 3, paragraph 2 of Law No. 121/2014 and designates the Special Telecommunications Service as the entity responsible for monitoring the implementation of the National Energy Efficiency Action Plan and related energy efficiency and energy saving measures and requires the creation of a portal for the collection and analysis of corresponding data. The partnership agreement No. 19529/SIB/28.12.2023 between the Ministry of Energy and the Special Telecommunications Service for the development and technical operationalisation of a monitoring system for the implementation of energy audit recommendations in the ETS sector further lays down the details of the creation of the IT platform and contains contractual obligations. The platform will be used of collecting, analysing, and report the activities of auditors, energy managers, energy service companies, energy projects and their results, as well as the energy savings resulting from the implementation of the proposed measures. This implies that the IT platform will include the status of the implementation of these recommendations.

**(iii) Introduce new standards for green financial instruments.**

Chapter I of GEO No. 119/2023 introduced new standards for green financial instruments. In particular, it specifies the procedure for screening economic activities for which support in the form of green financial instruments is requested. Article 2 provides that this support is to be granted only if the supported economic activities comply with technical screening criteria determining that they contribute to climate change mitigation or climate change adaptation and do no significant harm to environmental objectives, as defined in Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by

establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. Article 2(2) of Law No. 217/2024 includes now a provision that DNSH-compliance can be verified now to reduce the environmental impact. Moreover, financial instruments complying with these criteria are eligible to bear the label of green financial instruments. If public or private entities wish to use this label, they must ensure that at least 70% of the activities supported by the financial instruments are sustainable as defined in Delegated Regulation (EU) 2021/2139 of 4 June 2021. Article 2 of GEO No. 119/2023 further requires the Special Telecommunications Service to set up an IT system to monitor and report on the usage of green financial instruments, based on the requirements communicated by the Ministry of Energy. Lastly, Article 3 of GEO No. 119/2023 specifies the reporting duties of the issuers of green financial instruments, namely the obligation to draw up and submit information sheets on the planned issuance of green financial instruments as well as an environmental impact assessment after the issuing period. These documents must be submitted through the newly created IT system.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 241</b>	<b>Related Measure: Legislative transparency, de-bureaucratisation and procedural simplification for business</b>	
<b>Name of the Milestone:</b> Entry into force of legislative amendments to streamline, simplify and fully digitise business related procedures		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of i) Law no. 31/1990 – Company Law, ii) Law no. 26/1990, republished, regarding the trade register, iii) Decree-law no. 122/1990 on the authorization and functioning in Romania of the representatives of foreign companies and economic organizations and iv) Law no. 53/2003 – Labour Code		<b>Time:</b> Q3 2022
<b>Context:</b> Milestone #241 is part of reform C9.R1, which aims at reducing the administrative burden for businesses by simplifying regulatory procedures and increasing transparency.  Milestone #241 requires the entry into force of legislative amendments to streamline, simplify and fully digitise business related procedures.  Milestone #241 is the first step of the implementation of the reform, and it is accompanied by milestone #242 and milestone #243 in this payment request. Milestone #242 is related to the entry into force of legislative amendments to simplify and make the conduct of the SME test transparent and applicable, whereas milestone #243 covers the entry into force of the law “Single Industrial Licence”. Milestone #241 is followed by targets #244, related to reducing the average time needed to perform business environment related regulatory requirements, and #245, on legislative acts/modification related to SMEs for which the test was applied.  The reform has a final expected date for implementation on 31 December 2025.		
<b>Evidence provided:</b> The following evidence was provided: i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii. Table presenting legislative provisions of Law No. 31/1990, Law No. 26/1990, Decree Law No. 122/1990, and Law No. 53/2003, recent amendments and an explanation of how these		

- reduce the administrative burden in the business environment (hereinafter referred to as “comparative table”);
- iii. Copy of Law No. 265/2022, on the Trade Register and for the amendment of other normative acts with the incidence on the registration in the Trade Register, published in the Official Journal No. 750 on 26 July 2022 (hereinafter referred to as “Law No. 265/2022”);
  - iv. Copy of Government Ordinance No. 18/2022 on the authorisation and operation in Romania of the representative offices of foreign companies and economic organisations, published in the Official Journal No. 779 on 4 August 2022 (hereinafter referred to as “Government Ordinance No. 18/2022”);
  - v. Copy of Law No. 95/2023, approving Government Ordinance No. 18/2022 on authorisation and operation in Romania of Representations foreign companies and economic organisations, published in the Official Journal No. 95 on 12 April 2023 (hereinafter referred to as “Law No. 95/2023”);
  - vi. Copy of Government Emergency Ordinance No. 36/2021, on the use of advanced electronic signature or qualified electronic signature, accompanied by electronic time stamp or qualified electronic time stamp and qualified electronic seal of the employer in the field of employment relations, and for amending and supplementing certain normative acts, published in the Official Journal No. 474 on 6 May 2021 (hereinafter referred to as “Government Emergency Ordinance No. 36/2021”);
  - vii. Copy of Law No. 208/2021, for the approval of Government Emergency Ordinance No. 36/2021 on the use of advanced electronic signature or qualified electronic signature, accompanied by electronic time stamp or qualified electronic time stamp and qualified electronic seal of the employer in the field of employment relations, and for amending and supplementing some normative acts, published in the Official Journal No. 720 on 22 July 2021 (hereinafter referred to as “Law No. 208/2021”);
  - viii. Copy of Law No. 144/2022, amending and supplementing Article 34 of Law No. 53/2003 - Labour Code, published in the Official Journal No. 502 on 23 May 2022 (hereinafter referred to as “Law No. 144/2022”);
  - ix. Copy of Order No. 1994/880/1181/4594/2023 for the approval of the model, content, method of submission and management of form 112 “Declaration on the obligations to pay social contributions, income tax and nominal record of insured persons”, published in the Official Journal No. 1112 on 11 December 2023 (hereinafter referred to as “Order No.1994/880/1181/4594/2023”).

**Analysis:**

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

**Entry into force of legislative amendments to streamline, simplify and fully digitise business related procedures**

Legislative amendments to streamline, simplify and fully digitise business-related procedures are included in Law No. 265/2022, Government Ordinance No. 18/2022, Government Emergency Ordinance No. 36/2021, which was amended and approved by Law No. 208/2021, Law No. 144/2022 and Order No. 1994/880/1181/4594/2023. Amendments entered into force, specifically:

- As established in Article 141 of Law No. 265/2022, this law entered into force four months after its publication in the Official Journal, except for Articles 133, 134, 137 and 138, which entered into force three days after publication.
- In accordance with Article 12(1) of Law No. 24/2000, Government Ordinance No. 18/2022

entered into force three days after its publication in the Official Journal.

- Government Emergency Ordinance No. 36/2021 entered into force on the date of its publication in the Official Journal. In accordance with Article 12(1) of Law No. 24/2000, Law No. 208/2021, which amends and approves Government Emergency Ordinance No. 36/2021, entered into force three days after its publication.
- In accordance with Article 12(1) of Law No. 24/2000, Law No. 144/2022 entered into force three days after its publication in the Official Journal.
- In accordance with Article 12(3) of Law No. 24/2000, Order No. 1994/880/1181/4 594/2023 entered into force on the day of its publication in the Official Journal.

**The legislative changes shall reduce the administrative burden the business environment by simplifying legislation/start-up/exit procedures for firms, in particular the following processes:**

**a) set up a company, exit from the market/closure of a business;**

Law No. 265/2022 introduces legislative changes which reduce the administrative burden in the business environment for setting up a company. These include, among others:

- Article 3 defines the online formation procedure to set up companies fully by means of online services of the National Trade Register Office.
- Article 42 establishes that the National Trade Register Office (ONRC) shall make available to applicants on its website and online service portal, for the type of companies governed by Law No. 31/1990, standard forms of incorporation to be used in the online formation procedure. The same article establishes that ONRC makes available on its portal other standard forms and templates of applications in, which are used in the procedure for online formation, registration and authorisation of operation.
- Article 105 requires that the application for registration has to be dealt with by the registrar within one working day from the application, and that the physical presence of the applicant or his legal representative is required only in cases of suspicion of identity forgery.
- Article 15 introduces the Electronic Bulletin of the Business Register, issued by the National Trade Register Office, which constitutes a central electronic platform where information is stored and whose publication is free of charge.

In addition, as explained on pages 5-10 of the comparative table, the previous legislation required several documents and processes for the registration of companies, which Law No. 265/2022 has removed or digitalised. These changes include, among others:

- the removal through Article 49 of the need for an agreement by the General Secretariat of the Government to verify the availability of the company name in case the proposed name contains expressions specific to central public authorities and institutions.
- Article 50 establishes that the verification of the availability is made at the request of an interested person by the Trade Register Office. Checking the availability of the company name and reserving it can also be done through the online services portal.
- Article 129 removes the signature specimen of the representative legal representative of the company.

Law No. 265/2022 also introduces legislative changes which reduce the administrative burden when exiting the market/closing a business. Among these, Article 129, amending Law No. 31/1990, introduces several changes to shorten the dissolution process by setting binding deadlines and requiring documents to be transmitted electronically (see in particular point 53 and point 70).

**b) streamlining, simplifying and digitising procedures for the authorisation and operation of**



## **foreign representations in Romania;**

Government Ordinance No. 18/2022 introduces provisions to streamline, simplify and digitise procedures for the authorisation and operation of foreign representation in Romania. Specifically:

- Article 3 establishes that licences to operate the representations of foreign companies and economic organisations must be issued by the Ministry of Entrepreneurship and Tourism via an electronic platform.
- Article 5 introduces the requirement for applications for representation offices and authorisations to be filled in electronically, through the dedicated platform.
- Articles 12 and 15 require that the extension of the validity of the authorisation and the closure of the representation office have to also take place electronically, respectively.

The former legislative framework (Decree Law No. 122/1990) did not provide for the above-mentioned procedures to take place physically. This is also explained on pages 34-36 of the comparative table.

### **c) reporting of labour market obligations for companies and other mandatory reporting.**

Government Emergency Ordinance No. 36/2021, which was amended and approved by Law No. 208/2021, Law No. 144/2022 and Order No. 1994/880/1181/4594/2023 simplify the reporting of labour market obligations for companies and other mandatory reporting, in particular in the fields of labour relations, taxations and social security.

Government Emergency Ordinance No. 36/2021, as amended and approved by Law No. 208/2021 simplifies the reporting of labour market obligations for companies and other mandatory reporting as follows:

- Article I establishes that employers may use the electronic signature, the advanced electronic signature, the qualified electronic signature or the employer's electronic seal for drawing up documents in the field of employment relations resulting from the conclusion of the individual employment contract.
- Article I also establishes the obligation for competent authorities to accept, for verification and control, individual employment contracts and addenda, as well as documents in the field of labour relations, occupational safety and health, concluded in electronic format, with electronic signature, according to the law, without requesting them in paper format. At the request of the competent authorities, the documents concluded with the electronic signature may be transmitted electronically and prior to the control.

*Order No. 1994/880/1181/4594/2023 simplifies the reporting of labour market obligations for companies and other mandatory reporting as follows:*

- *Article 3 establishes that employers have to submit Form 112 "Declaration on the obligations to pay social contributions, income tax and nominal record of insured persons" electronically as of November 2023 as specified in Article 6.*

*Law No. 144/2022 simplifies the reporting of labour market obligations for companies and other mandatory reporting as follows:*

- *Article I introduces the requirement that the general register of employees is accessible online for employees or former employees, unconditional on the consent of employers or the*

*Labour Inspectorate.*

**Legislative changes shall be made on the following normative acts:**

- **Company law no. 31/1990, initiated by the Ministry of Justice;**
- **Law no. 26/1990, republished, regarding the trade register;**
- **Decree Law no. 122/1990 on the authorization and functioning in Romania of the representatives of foreign companies and economic organizations, Initiated by the Ministry of Economy, Entrepreneurship and Tourism;**
- **Law no. 53/2003 on the Labour Code, initiated by the Ministry of Labour and Social Protection**

Article 129 of Law 265/2022 amends Company Law No. 31/1990, initiated by the Ministry of Justice.

Article 140 of Law 265/2022 repeals Law No. 26/1990.

Article 19 of Government Ordinance No. 18/2022 repeals Decree Law No. 122/1990 on the authorization and functioning in Romania of the representatives of foreign companies and economic organizations, Initiated by the Ministry of Economy, Entrepreneurship and Tourism.

Law No. 208/2021 amends and approves Government Emergency Ordinance No. 36/2021, whose Article I amends Law No. 53/2003 on the Labour Code, initiated by the Ministry of Labour and Social Protection.

**In line with the description of the measure, the legislative amendments to streamline, simplify and fully digitise business related procedures shall enter into force by 30 September 2022**

Government Ordinance No. 18/2022, Government Emergency Ordinance No. 36/2021, which was amended and approved by Law No. 208/2021, and Law No. 144/2022 entered into force by 30 September 2022.

Law No. 265/2022 was published in the Official Journal before 30 September 2022 but it entered into force after 30 September 2022, constituting a minimal substantive deviation from the requirement of the Council Implementing Decision. In addition, Order No. 1994/880/1181/4594/2023 was published in the Official Journal and entered into force after 30 September 2022, constituting a minimal substantive deviation from the requirement of the Council Implementing Decision. However, these delays are considered both limited and proportional. Notably, the majority of the legislative amendments to streamline, simplify and fully digitise business related procedures, introduced by Government Ordinance No. 18/2022, Government Emergency Ordinance No. 36/2021, which was amended and approved by Law No. 208/2021, and Law No. 144/2022, entered into force by 30 September 2022. In addition, the beginning of the legal effects of Law No. 265/2022 and Order No. 1994/880/1181/4594/2023 has taken place by the time of the Commission assessment. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 242	<b>Related Measure:</b> Legislative transparency, de-bureaucratisation and procedural simplification for business
<b>Name of the Milestone:</b> Entry into force of legislative amendments to simplify and make the conduct of the SME test transparent and applicable	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of Law	<b>Time:</b> Q3 2022

no. 346/2004 on promoting the establishment and development of small and medium enterprises	
<p><b>Context:</b></p> <p>Milestone #242 is part of reform C9.R1, which aims at reducing the administrative burden for businesses by simplifying and increasing the transparency of regulatory procedures for firms.</p> <p>Milestone #242 requires the entry into force of legislative amendments to simplify the SME test and ensure its transparent and applicable execution. The small and medium-sized enterprise (SME) test is an ex-ante evaluation of the economic, social and environmental impact of legislative proposals on SMEs.</p> <p>Milestone #242 is the first step of the implementation of the reform, and it is accompanied by milestone #241, related to the entry into force of legislative amendments to streamline, simplify and fully digitise business related procedures, and milestone #243, related to the entry into force of the law “Single Industrial Licence”. Milestone #241 will be followed by targets #244 and #245, on reducing the average time needed to perform business environment related regulatory requirements, and legislative acts/modification related to SMEs for which the test was applied.</p> <p>The reform has a final expected date for implementation on 31 December 2025.</p>	
<p><b>Evidence provided:</b></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"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Copy of Law No. 53/2023 approving Government Emergency Ordinance No. 10/2022 amending and supplementing Law No. 346/2004 on stimulating the establishment and development of small and medium-sized enterprises, published in the Official Journal No. 186 on 6 March 2023 (hereinafter referred to as “Law No. 53/2023”);</li> <li>iii. Copy of Government Emergency Ordinance No. 10/2022 amending and supplementing Law No. 346/2004 on stimulating the establishment and development of small and medium-sized enterprises published in the Official Journal No. 162 on 17 February 2022 (hereinafter referred to as “Government Emergency Ordinance No. 10/2022”);</li> <li>iv. Copy of the Order of the Ministry of Economic Affairs, Entrepreneurship and Tourism No. 545/2023 approving the Regulation for the organisation and functioning of the Group to assess the economic impact of regulatory acts on small and medium-sized enterprises (hereinafter referred to as “GEIEAN”), published in the Official Journal No. 990 on 31 October 2023 (hereinafter referred to as “Order No. 545/2023”);</li> <li>v. Copy of the Order of the Ministry of Economic Affairs, Entrepreneurship and Tourism No. 546/2023 approving the Methodology for the Development and Implementation of the SME Test, published in the Official Journal No. 1006 on 6 November 2023 (hereinafter referred to as “Order No. 546/2023”);</li> <li>vi. Copy of the Order of the Ministry of Economic Affairs, Entrepreneurship and Tourism No. 2761/2024 amending the Annex to the Order of the Ministry of Economic Affairs, Entrepreneurship and Tourism No. 546/2023 approving the Methodology for the Development and Implementation of the SME Test, published in the Official Journal No. 932 on 17 September 2024 (hereinafter referred to as “Order No. 2761/2024”).</li> </ol>	
<p><b>Analysis:</b></p>	

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

**Entry into force of legislative amendments to simplify and make the conduct of the SME test transparent and applicable**

Legislative amendments to simplify and make the conduct of the SME test transparent and applicable are included in Government Emergency Ordinance No. 10/2022, which was approved by Law No. 53/2023, and Order No. 546/2023, as amended and completed by Order No. 2761/2024. Specifically:

- The Sole Article (3) of Government Emergency Ordinance No. 10/2022 makes the conduct of the SME test transparent, by requiring the initiator of the normative act to publish on their website the results of the SME Test. In accordance with Article 12(2) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts, Government Emergency Ordinance No. 10/2022 entered into force on 17 February 2022, the date of its publication in the Official Journal. Government Emergency Ordinance No. 10/2022 was approved by Law No. 53/2023, which was published in the Official Journal on 6 March 2023 and entered into force three days later, in accordance with Article 12(1) of Law No. 24/2000. Law No. 53/2023 amended the Sole Article (5) of Government Emergency Ordinance No. 10/2022, requiring initiators of legislative acts to publish a justification note on their website if not all proposals resulting from the SME test were taken into account in the finalisation of the legislative act.
- The Annex, which is integral part of Order No. 546/2023, simplifies the conduct of the SME test by introducing a mandatory standardised methodology - the snowball methodology - for the selection of the sample of SMEs to be consulted in the SME test. The Ministerial Order entered into force on 6 November 2023, in accordance with Article 12(3) of Law No. 24/2000. Order No. 2761/2024, amending the Annex to Order No. 546/2023, entered into force on 17 September 2024, in accordance with Article 12(3) of Law No. 24/2000.
- As stated in the Sole Article (4) of Government Emergency Ordinance No. 10/2022, the systematic assessment of the impact of draft legislative acts is conducted using the SME test, which the initiator of the act has to do prior to the start of the approval process. The Annex, which is integral part of Order No. 546/2023, as amended and completed by Order No. 2761/2024, introduces the mandatory snowball methodology for the selection of SMEs to be consulted. The SME test is therefore applicable.

In addition, Ministerial Orders cover in more detail the conduct of the SME test, thereby standardising and simplifying the process. Order No. 545/2023 regulates the organisation and functioning of the Group for the assessment of the economic impact of regulatory acts on small and medium-sized enterprises (GEIEAN), while Order No. 546/2023, approves the Methodology for the Development and Implementation of the SME Test. Order No. 545/2023 entered into force on 31 October.

**Provision in the law indicating the entry into force of Law no. 346/2004 on promoting the establishment and development of small and medium enterprises**

In accordance with Article 12(2) of Law No. 24/2000, Government Emergency Ordinance No. 10/2022 entered into force on 17 February 2022, the date of its publication in the Official Journal. Government Emergency Ordinance No. 10/2022 amends and supplements Law No. 346/2004 on promoting the establishment and development of small and medium-sized enterprises. The Sole Article of Government Emergency Ordinance No. 10/2022 amends Article 9 of Law No. 346/2004, establishing GEIEAN and procedures for the SME test. It also amends Article 25 of Law No. 346/2004, introducing additional national programmes for the financing of SMEs.

Government Emergency Ordinance No. 10/2022 was approved by Law No. 53/2023, which was published in the Official Journal on 6 March 2023 and entered into force three days later, in accordance with Article 12(1) of Law No. 24/2000.

**The legislative changes are related to the SME test (the ex-ante evaluation of the economic, social and environmental impact of legislative proposals on SMEs).**

Article 1 of Order No. 546/2023 approves the methodology for drawing up and implementing the SME test as set out in the Annex of the same Order. Article 1 of the Annex establishes that the methodology regulates how the SME test is carried out, covering systematically the ex-ante impact of draft legislative acts on small and medium-sized enterprises. Article 2 of the Annex defines the SME test as an instrument to assess the economic, social and environmental impact that draft legislative acts have on SMEs.

**The changes shall ensure that:**

**- A larger and representative sample of SMEs is consulted**

Article 8 of the Annex to Order No. 546/2023, as amended by Order No. 2761/2024, establishes that the initiator of the regulatory act has to consult a large and representative number of SMEs on which regulatory public policies have an impact, using the “snowball” selection methodology. Article 9 of the Annex to the same Order, as amended by Order No. 2761/2024, defines the technical aspects of the “snowball” methodology, which is a methodology used when there is insufficient information to identify all SMEs composing a given population, but only a few known SMEs can be initially identified. Specifically, Article 9(2) requires that the sample of SMEs to be consulted is selected as follows: the initiator of the act identifies “known” SMEs, which are likely to be affected by the legislative amendments based on criteria which include, but are not limited to, the sector and the geographical area of operation. The “known” SMEs are required to identify “additional” SMEs which are likely to be impacted by the legislative amendment. The “additional” SMEs are required to identify other SMEs which are likely to be affected by the legislative change. Article 9(5) requires that the identified sample of SMEs is then consulted by the initiator of the act through one of the procedures mentioned in Article 9 of Law No. 346/2004, which include online consultations and roundtables, among others.

In addition, Article 1 of Order No. 545/2023 approves the rules on the organisation and functioning of GEIEAN, which are presented in the Annex to the Order. This group has the function of an advisory body under the coordination of the central public administration authority responsible for small and medium-sized enterprises. Article 13 of the Annex to the same Order establishes that, among its tasks, GEIEAN has to assist the initiator of the legislative act, at his request, in identifying the sample of SMEs to be consulted and may collaborate in this regard with the National Representative in the SME Envoy Network and the Advisory Committee on Entrepreneurship.

By introducing the snowball methodology and providing GEIEAN, as an advisory body, with the role of supporting the initiator to identify the sample of SMEs for the SME test, the legislative changes ensure that the sample of SMEs consulted is larger and representative as compared to the legislative framework previously in force. Specifically, Order No. 698/2014, which regulated the SME test before the entry into force of Order No. 546/2023, required that the initiators of acts, depending on the content of the draft proposal, consult business organisations, ensuring that representatives of SMEs are consulted as a priority, without setting requirements and a standardised methodology for the selection of SMEs to be consulted.

**- the results of the SME test for each legislative proposals are published within 30 days**

The Sole Article (3) of Government Emergency Ordinance No. 10/2022 requires that the initiator of the regulatory act and the central public authority providing the secretariat of GEIEAN to publish on its website the results of the SME test and the opinion of the GEIEAN within 30 days of its receipt.

**- the results of the SME test are embedded into the legislative proposal/amendments related to SMEs**

Article 21 of the Annex to Order No. 546/2023, referring to consultations conducted online, requires that the evaluation of the results of the SME test must lead to the identification of corrections and improvements required in the finalisation of the draft legislative act. Article 22(2) of the Annex to the same Order also requires the initiator of the legislative act to take over the results of the consultations when these are carried out in other ways. The Sole Article of Law No. 53/2023 establishes that the initiator of the legislative act takes over the proposals resulting from the SME test, when finalising the draft legislative act. The initiator has to justify why proposals were not incorporated into the legislation by publishing a note on its website.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 243</b>	<b>Related Measure: Legislative transparency, de-bureaucratisation and procedural simplification for business</b>	
<b>Name of the Milestone:</b> Entry into force of the law “Single Industrial Licence”		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the Single Industrial Licence		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The reform aims to reduce the administrative burden for business environment by simplifying and increasing the transparency of regulatory procedures for firms. The reform shall be implemented through the entry into force of three different groups of legislative initiatives/amendments.</p> <p>Milestone #243 requires the entry into force of the law “Single industrial license”.</p> <p>Milestone #243 is the first step in the implementation of this reform, and it is accompanied in this payment request by milestone #241, related to the entry into force of legislative amendments to streamline, simplify and fully digitise business related procedures, and milestone #242, related to the entry into force of legislative amendments to simplify and make the conduct of the SME test transparent and applicable. It will be followed by target #244, related to the reduction by 50% of the average time needed to perform business related regulatory requirements, and by target #245, related to the SME test to be conducted for 100% of legislative acts related to SMEs.</p> <p>The reform has a final expected date for implementation on 31 December 2025. The legislative framework for the “Single Industrial Licence” shall enter into force by 31 December 2022.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Copy of the Government Emergency Ordinance No. 140/2022 on Single Industrial License, published in the Official Journal No. 1023 of 20 October 2022, entered into force on 20 October 2022;</li> <li>iii. Copy of Law No. 98/2022 for the approval of Government Emergency Ordinance No. 140/2022 regarding the single industrial license;</li> <li>iv. Copy of the Government Decision No. 1251/2023 on the organization and functioning of the Office for Industrial Licensing, as well as for completing Annex No. 1 to Government Decision No. 832/2022 regarding the determination of the duties, organization, and</li> </ol>		

functioning of the Prime Minister's Chancellery, published in the Official Journal No. 1126 of 13 December 2023 (hereinafter referred to as "GD No. 1251/2023").

**Analysis:**

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

**Entry into force of the law "Single Industrial Licence". Furthermore, in line with the description of the measure, the "Single Industrial Licence" shall enter into force (...) 31 December 2022 (...).**

The Government Emergency Ordinance No. 140/2022 on Single Industrial License (hereinafter referred to as "GEO No. 140/2022") was published in the Official Journal No. 1023 of 20 October 2022. GEO No. 140/2022 entered into force on the day of its publication in the Official Journal, in accordance with Article 12(2) of Law 24/2000 regarding the legislative technique norms for drafting normative acts. Law No. 98/2022 approved the GEO 140/2022.

**The law of the Single Industrial Licence shall ensure:**

**(i) a reorganisation of the procedures needed to obtain industry-related licences (...)**

Article 2 letter d) of GEO No. 140/2022 states that one of the objectives of the legislative act is the reorganisation of the operational procedures necessary for issuing industrial licenses by the competent authorities.

This reorganisation is then laid out further in GEO No. 140/2022, which establishes the different steps. First, as per Article 6(2) of GEO No. 140/2022, the competent authorities, as listed in annex No. 2, have to assess and revise the licensing procedures with the aim to simplify, submitting their findings for review to the Office for Industrial Licensing (hereinafter referred to as "the Office"), a newly established entity. The Office then approves the measures for simplifying procedures (in line with Article 10(1) letter (a) of GEO No. 140/2022).

Additionally, further simplifications are foreseen in Article 7 of GEO No. 140/2022, including the taxonomy of industrial licenses, whenever there is a need, or changes occur in sectorial legislation. Article 10(1) letter k) of GEO No. 140/2022 stipulates that the Office evaluates the procedures of competent authorities and can request their modification or simplification. In addition, Article 10 (2) of GEO No. 140/2022 requires that the Office notifies the competent authorities about the obligation to simplify their own procedures required for granting the single industrial license and assesses their compliance with the simplification obligation. Additionally, according to Article 10 (1) letter h) of GEO No. 140/2022, one of the primary responsibilities of the Office is to provide methodological guidance to competent authorities in simplifying procedures, which includes adjusting the validity period of licenses.

**(ii) the integration of existing sectorial licences into one single streamlined procedure;**

Article 2 letter c) of GEO No. 140/2022 establishes the integration of licenses, authorizations, agreements, notices or permits into a single simplified procedure for granting the single industrial license. The single industrial license is granted by the Office based on administrative acts issued by competent authorities within one single streamlined procedure supported by the Single Electronic Point of Contact (PCUEL).

**(iii) the redesign of the application procedures, the institution of a Coordinating Body, an Interministerial working group, to coordinate these procedures;**

Article 13 of GEO No. 140/2022 redesigns the application procedures for granting single industrial licenses, defining clear responsibilities of the Office for Industrial Licensing, as well as deadlines for the applicants to submit required documents and for the authorities to respond. Article 8 of GEO No. 140/2022 establishes the Office for Industrial Licensing as the coordinating body for issuing

single industrial licenses. Its roles, functions, organizational chart, responsibilities of its President, Vice President, and its territorial units are further specified in GD No. 1251/2023.

Article 9 of GEO No. 140/2022 establishes the Interministerial Working Group for the granting of the single industrial license. This group consists of representatives of several institutions (listed in Annex No. 3 to GEO 140/2022) and is coordinated by the representative of the Prime Minister's Chancellery. As per Article 10(1) letter o) of GEO No. 140/2022, the Office collaborates with the Interministerial Working Group in solving multisectoral problems in the process of granting the single industrial license, and with the Committee for e-Governance and bureaucracy reduction.

**(iv) the abolishment of dual controls and of unneeded license renewal requirements;**

Article 15 of GEO No. 140/2022 abolishes dual controls, specifying that it is prohibited to impose conditions for granting the single industrial license duplicating requirements or checks already done by the industrial license applicant in Romania.

Article 16 of GEO No. 140/2022 refers to the renewal of the single industrial license. The validity period of the single industrial license depends on the classification of industrial activities into three risk categories, according to Article 7 (1): high, medium and low risk. The minimum validity period of a single industrial license is one year. When the renewal of the single industrial license is necessary, the holder may use the current one until the new license has been issued. Renewal of the single industrial license is necessary only if underlying conditions have changed, if there have been changes to the relevant legal provisions, or if the validity period of the single industrial license has expired.

**v) Creation of a taxonomy of license types, according to their main features and characteristics**

Article 7 of GEO No. 140/2022 creates a taxonomy of single industrial licenses. Depending on the risk posed by an industrial activity, there are three classes of single industrial licenses, namely: a) high-risk industrial license; b) medium-risk industrial license; c) low-risk industrial license. At least the following four risk factors are considered: impact on public health, environmental impact, workplace safety, and energy consumption.

**(vi) an amendment of the 2003 law that establishes a “silence is consent” policy – Government Emergency Ordinance no. 27/2003 – aiming to have a timer for tacit approval (silence is consent) which enters into force when the electronic platform registers the licensing request. The licensing request shall be granted automatically if/when tacit approval occurs. Furthermore, in line with the description of the measure, the reform shall be implemented through the entry into force of three different groups of legislative initiatives/amendments: (...) third, entry into force of the law implementing the single industrial licensing regime that shall effectively enforce, inter alia, the tacit approval (silence is consent) for specific types of licences following their registration on the electronic platform.**

Article 13(7) of GEO No. 140/2022 establishes that if the competent authorities have not responded within 180 days and the applicant has been informed that the application is considered validly submitted, the single industrial license is considered granted, with the obligation of issuance of the license by the Office. An exception is foreseen in cases where the law expressly states that the principle of tacit approval does not apply to administrative acts.

According to Article 22(2) of GEO No. 140/2022, the registration of the application is automatically notified to the applicant as well as to the competent authorities. The acknowledgment of receipt of the application communicated to the applicant contains the following information: a) the deadline for processing the application; b) where applicable, whether the single industrial license is subject to tacit approval procedure or not.

According to Article 25(2) of GEO No. 140/2022, the competent authorities listed in Annex No. 2 shall conduct and communicate to the Office an analysis identifying which of the acts are not



subject to the tacit approval procedure according to the legislation in force. The Office shall centralize the conclusions of these analyses and present them at the Government meeting.

**(vii) The adoption, in Romanian legislation of the “once-only” principle, enabling the investors’ right to only be required to supply the same information or documents to public institutions once;**

According to Article 17 of GEO No. 140/2022, competent authorities request documents, data, or any other necessary information for the single industrial license application process, only once from the applicant.

**(viii) The adoption of the necessary legislative amendments for the full implementation of an Electronic Point of Single Contact, including a definition of its main features.**

Chapter VII of GEO No. 140/2022 establishes the adoption of an Electronic Point of Single Contact (PCUEL), including its main characteristics. According to Article 19, PCUEL for industrial licenses is established as a public utility information system, administered by the Office for Industrial Licensing. PCUEL is integrated into the e-government system, managed by the Authority for the Digitalisation of Romania. PCUEL interconnects with the information systems of competent authorities and with the e-government platform, as well as with the data associated with these systems, in a manner that allows data sharing among parties, regardless of the technology and the type of databases used.

Articles 20 to 22 of GEO No. 140/2022 provide information regarding: (a) the functioning of PCUEL, (b) the access to PCUEL, and (c) the process of granting the single industrial license through PCUEL.

**Commission Preliminary Assessment:** Satisfactorily fulfilled.

<b>Number: 264</b>	<b>Related Measure: Private sector aid schemes – De minimis scheme to assist Romanian firms in listing on the stock exchange</b>	
<b>Name of the Milestone: Selection of the scheme administrator</b>		
<b>Qualitative Indicator:</b> Communication of selection		<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>The objective of sub-investment C9.I3.2 is to support companies in increasing access to financing through specific instruments, namely the issuance of new shares through a de minimis scheme.</p> <p>Milestone #264 requires the selection of a scheme administrator to implement the de minimis scheme (launching the call, assessing contracting and monitoring projects).</p> <p>Milestone #264 is the first step of the implementation of sub-investment and it will be followed by target #265, related to the signature of 280 financing contracts with enterprises allowing to be listed on the Bucharest Stock Exchange.</p> <p>The sub-investment has a final expected date for implementation on 30 June 2025.</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Copy of the Ministerial Note No. 3822 approved by the Minister for Investment and European Projects on 15 September 2022 and titled “Note 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” (hereinafter referred to as “Note No. 3822/2022”);</li> <li>iii. Copy of the Ministerial Order No. 348/2022 approving the de minimis scheme for listing companies on the stock exchange, published in the Official Journal No. 164 on 27 February 2023, which entered into force on 27 February 2023;</li> <li>iv. Copy of Government Decision No. 678/2022 amending and supplementing the Government Decision No. 52/2018 on the functioning and organisation of the Ministry of European Funds (currently the Ministry of Investment and European Projects), published in the Official Journal No. 506 on 23 May 2022, which entered into force on 23 May 2022.</li> </ol>		
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities covers all constitutive elements of the milestone. Specifically:</p> <p><b>Selection of scheme manager who shall implement the de minimis scheme (launching the call, assessing contracts and monitoring projects).</b></p> <p>According to Annex No. 1 of the Government Decision No. 678, published in the Official Journal on 23 May 2022, the Directorate General for the implementation of National Recovery and Resilience Plan and Financial Instruments (hereinafter referred to as “DGIPNRRIF”) is established as part of the</p>		

Ministry of Investment and European Projects (MIPE). In line with page 2 of the Note No. 3822/2022, DGIPNRRIF is tasked with coordinating several reforms and investments (including investment C9.I3).

Due to its responsibility as reform and investment coordinator for investment C9.I3, but also in its function as state aid provider in relation to the de minimis scheme, MIPE approved Note No. 3822/2022 selecting DGIPNRRIF as the responsible administrator of the scheme supporting companies in increasing access to financing by ensuring the implementation of sub-investment C9.I3.2. DGIPNRRIF is tasked, as mentioned on pages 2, 8 and 24 of the Note, to act as the scheme manager with the responsibility to launch the call, assess contracting and monitor projects.

#### **Communication of selection**

Ministerial Order No. 348/2022 approving the de minimis scheme for listing companies on the stock exchange was published in the Official Journal No. 164 on 27 February 2023 and entered into force on the same date of its publication in the Official Journal, in line with Article 12(3) of Law 24/2000 on the rules of legislative technique for the drafting of legislative acts. The Order approves the de minimis scheme for listing companies on the stock exchange. Article 1(6) of the Annex specifies that MIPE is the scheme administrator. The Annex to the Ministerial Order provides details regarding the scope of the de minimis scheme, the method of granting de minimis aid, benefits and eligibility conditions, the rights and obligations of beneficiaries, eligible activities and eligible expenses, the responsibilities of the provider and administrator of de minimis scheme, rules regarding transparency, monitoring of grants and sustainability.

**Grants shall be provided to companies willing to conduct a stock issuance, pre-qualified for listing, according to the conditions of the Bucharest Stock Exchange, on a first come, first served basis. Furthermore, in line with the description of the measure, the sub-investment shall consist of funding a de minimis scheme for companies with registered offices in Romania (...).**

Page 21 of Note No. 3822/2022 states that investment C9.I3.2 supports businesses with registered offices in Romania by providing non-reimbursable financial assistance to enterprises willing to conduct a stock issuance (small and medium size enterprises, as well as those companies active in sectors with high growth potential and substantial financing needs, such as IT and energy), pre-qualified for listing, in accordance with the conditions of the Bucharest Stock Exchange, based on a first-come, first-served principle.

**The aim is to prepare those companies that adhere to the Bucharest Stock Exchange listing rules for a successful capital market funding on any of the available market segments.**

Page 21 of Note No. 3822/2022 mentions that the objective of investment C9.I3.2 is to prepare the companies adhering to the listing rules of the Bucharest Stock Exchange to successfully benefit from funds in the capital market across any of the available market segments.

**Compliance to the 'Do no significant harm' Technical Guidance (2021/C58/01). Companies that derived more than 50% of their revenues during the preceding financial year from activities or assets in the exclusion list shall be required to adopt and publish green transition plans.**

According to page 24 of Note No. 3822/2022, MIPE has the obligation to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01). In addition, it is mentioned on the same page that companies that have generated more than 50% of their revenues in the previous financial year from activities or assets included in the exclusion list are required to adopt and publish plans regarding the green transition. Furthermore, Annex 2 of the Note No. 3822/2022 (pages 30-32) specifies the ineligible activities for financing under sub-investment 3.2.

**Furthermore, in line with the description of the measure, the following list of activities and assets shall be excluded: (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. Under this measure, projects in power and/or heat generation, as well as related transmission and distribution infrastructure using natural gas, are permitted, provided they comply with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01).

Pages 30 to 33 of Annex 2 of Note No. 3822/2022 specify the ineligible activities for financing under sub-investment C9.I3.2. These include: (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. Under this measure, projects that include power and/or heat generation, as well as related transmission and distribution infrastructure using natural gas, are allowed, provided they meet the conditions outlined in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 268</b>	<b>Related Measure: Cross border and multi-country projects – Low Power Processors and Semiconductor Chips</b>		
<b>Name of the Target:</b> Entities in consortia participating to calls for projects by the Joint Undertaking of Essential Digital Technologies (KDT JU)			
<b>Quantitative Indicator:</b> Number	<b>Baseline:</b> 0	<b>Target:</b> 3	<b>Time:</b> Q4 2022
<b>Context:</b>			
<p>Target #268 is part of investment C9.I4, which aims at supporting the development of the microelectronics field in Romania, addressing one of the existing challenges at EU level and supporting the digital transition.</p> <p>Target #268 requires that at least three Romanian entities participate as members of consortia in call for projects by the Joint Undertaking of Essential Digital Technologies (KDT JU).</p> <p>Target #268 is the second step of the implementation of investment C9.I4, following the completion of milestone #266, which was related to the legislative base to allocate funding and establish the regulatory framework for this project. Target #268 will be followed by target #267, which requires the participation of at least ten entities associated in the multi-country project of Low Power Processors and Semiconductor Chips. It will also be followed by target #269, which requires the commitment of at least EUR 360 million through contracts signed with entities selected.</p> <p>The investment has a final expected date for implementation on 30 June 2024.</p>			
<b>Evidence Provided:</b>			
<p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Decision of the European Commission C(2023)3817 final on 8 June 2023 on State Aid</li> </ol>			

SA.101192 (2023/N) – Romania on Important Project of Common European Interest on Microelectronics /Communication Technologies (IPCEI ME/CT) (hereinafter referred to as “European Commission Decision C(2023)3817”);

- iii. Copy of recorded correspondence No. 114212 / 10 July 2023 issued by the Ministry of Investment and European Projects, containing information about Robert Bosch SRL (hereinafter referred to as “document No. 114212”);
- iv. Copy of recorded correspondence No. 114214 / 10 July 2023 issued by the Ministry of Investment and European Projects, containing information about NXP Semiconductors Romania SRL (hereinafter referred to as “document No. 114214”);
- v. Copy of recorded correspondence No. 114215 / 10 July 2023 issued by the Ministry of Investment and European Projects, containing information about Continental Automotive Romania SRL (hereinafter referred to as “document No. 114215”).
- vi. Copy of emails to attest the application to calls for projects by the KDT JU (hereinafter referred to as “calls for projects confirmation emails”), including:
  - a. Copy of automatic confirmation emails sent by the European Commission in response to the applications of Continental Automotive Romania SRL, Microelectronica, and BlueSpace;
  - b. Copy of list of projects to be evaluated provided by the European Commission for NXP Semiconductors Romania SRL;
  - c. Copy of email from Bosch confirming the submission of its application.

**Analysis:**

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

**At least 3 entities in consortia shall participate to calls for projects by the Joint Undertaking of Essential Digital Technologies (KDT JU).**

As evidenced by the calls for projects official automatic confirmation emails, the copy of email from Bosch, and the Proposal Evaluation Form, five Romanian companies submitted applications in the framework of the call for KDT JU projects, launched by the European Commission in 2022. With its Decision C(2023)3817 of 8 June 2023, the European Commission selected three of these companies to participate in consortia in the Important Project of Common European Interest on Microelectronics/Communication Technologies (hereinafter referred to as “IPCEI ME/CT”), namely Robert Bosch SRL, Continental Automotive Romania SRL, and NXP Semiconductors Romania SRL.

**The participants from the multi-country project on Low Power Processors and Semiconductor Chips shall contribute, in a multinational context, to the establishment of capabilities in the field in which KDT JU shall launch calls for project proposals.**

The three selected entities contribute, in a multinational context, to the establishment of capabilities in the field in which KDT JU launched calls for projects. Specifically:

- As outlined in sections 4 and 5 of the document No. 114212, **Robert Bosch SRL** is part of a consortium of 62 partners from 13 European countries. Within the KDT JU PowerizeD project (“Digitalization of Power Electronic Applications within Key Technology Value Chains”), which aims to develop digitalised and intelligent power electronics for energy production, transportation, and consumption, Robert Bosch SRL is involved in creating a demonstrator with an innovative packaging solution for a multi-chip module used in electric vehicle inverters. Robert Bosch SRL contribute to the analysis and physicochemical characterisation of materials, as well as to the detection and analysis of defects.
- As outlined in sections 4 and 5 of the document No. 114214, **NXP Semiconductors Romania**

**SRL** is an active member of two KDT JU projects: (i) TRISTAN – Together for RISC-V Technology and Applications, and (ii) ISOLDE - High Performance, Safe, Secure, Open-Source Leveraged RISC-V Domain-Specific Ecosystems. Within the TRISTAN project, NXP Semiconductors Romania SRL is part of a consortium of 46 partners from 12 countries, and it contributes to work packages 1, 4, 6, and 7 by developing tools for application development for RISC-V-based processors, including debuggers, support for extensions and special instructions, compiler evaluation. Within the ISOLDE project, NXP Semiconductors Romania SRL is part of a consortium of 36 partners from eight European Union countries plus Switzerland, and it contributes to work packages 1, 4, 5, 6, and 7 by developing libraries and compiler extensions for using RISC-V-based processors in High-Performance Compute areas.

- As outlined in sections 4 and 5 of the document No. 114215, **Continental Automotive Romania SRL** is also part of ISOLDE project focusing to develop a new RISC-V processor architecture. The outcome of this project is a demonstrator running on a Field Programmable Gate Array (FPGA), and Continental Automotive Romania SRL will develop an automotive demonstrator based on this circuit.

**The activities of the two mechanisms are complementary.**

Activities carried out by the three selected companies as part of the two mechanisms are complementary. Specifically:

- As outlined in section 5 of Report No. 114212, the activity carried out by **Robert Bosch SRL** within the KDT JU PowerizeD project is complementary to that carried out within the IPCEI ME/CT Eurodrives project, partially targeting the same type of applications, namely electric vehicles and smart mobility. While in the KDT JU PowerizeD project, Robert Bosch SRL focuses on the design, testing, and characterization of materials used in power modules, as well as on defect detection and analysis, in the IPCEI ME/CT Eurodrives project, the company's activity focuses on designing, developing, testing, and validating algorithms, devices, and software and hardware platforms.
- As outlined in section 5 of the document No. 114214, the contribution of **NXP Semiconductors Romania SRL** to the TRISTAN, ISOLDE, and SENTHICOM (IPCEI) projects are complementary and align with the European Community's overarching goal of developing a RISC-V-based processor architecture. While the activities in the TRISTAN and ISOLDE projects focus on specific subjects related to the development tools associated with an ecosystem based on RISC-V cores, the SENTHICOM project covers the entire range of activities related to creating a processor, an application, and development tools solution (including RISC-V cores). Therefore, the complementarity of TRISTAN, ISOLDE, and SENTHICOM is evidenced by their distinct but interrelated focuses: TRISTAN and ISOLDE on specific RISC-V development tools, and SENTHICOM on an integrated processor and tools solution. Thus, there is potential for reusing results from one project in another, but time allocation per project will be managed to avoid simultaneous funding of two projects at any given time.
- As outlined in section 5 of the document No. 114215, the outcome of the KDT ISOLDE project is complementary to the IPCEI project, where **Continental Automotive Romania SRL** will develop innovative products, such as break-by-wire, electric brakes; large-size displays and specific circuits with sensors and actuators. These two projects have different deliverables but are complementary in nature, as they also interconnect because an intellectual property developed in ISOLDE can be adapted on a smaller scale in the IPCEI

project.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 278</b>	<b>Related Measure: Support to integrate the research, development and innovation organisations in Romania in the European Research Area</b>	
<b>Name of the Milestone:</b> Entry into force of a law that encourages, facilitates and regulates the voluntary and functional integration and merger of research institutions in Romania		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of a law for encouraging, facilitating and regulating the voluntary and functional integration and merger of research institutions in Romania		<b>Time:</b> Q4 2022
<b>Context:</b>  Measure C9.R5 aims to enhance the effectiveness and consolidation of public research, development, and innovation organizations in Romania, fostering their integration into the European Research Area. Legislation is supposed to incentivize and regulate the voluntary integration and merger of research institutions, taking into account recommendations from the 2021-2022 Horizon Europe Policy Support Facility.  Milestone #278 requires the entry into force of legislation designed to counteract the pronounced fragmentation within Romania's research system, focusing on encouraging, facilitating, and regulating the integration of research institutions.  Milestone #278 is the first milestone of the reform and it will be followed by target #279 which mandates that 25% of research organizations will collaboratively utilize research infrastructure and facilities.  The reform has a final expected date for implementation on 30 June 2026.		
<b>Evidence provided:</b>  The following evidence was provided:  i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; ii. Copy of Law No. 25/11 January 2023 on the voluntary integration of Romanian research, development and innovation organisations into the European Research Area and amending Government Order No. 57/2002 on scientific research and technological development published in the Official Journal No. 33 on 11 January 2023; iii. Copy of the Government Decision No. 138/16 February 2024 for the approval of the Methodological Norms on performance evaluation for the integration of scientific research and technological development of research organizations, as well as for establishing criteria for the selection of expert evaluators referred to in Article 19 of Law No. 25/11 January 2023 on the voluntary integration of Romanian research, development and innovation organizations into the European Research Area, and amending Government Order No. 57/2002 on scientific research and technological development, published in the Official Journal No. 156bis on 26 February 2024 (hereinafter referred to as "the Methodological Norms"); iv. Copy of the Ministerial Order No. 20488/ 29 February 2024 approving the Regulation of		

organization and functioning of the Performance Assessment Commission for integrating the scientific research and technological development activity of research organizations.

**Analysis:**

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

**The law shall enter into force to address the high fragmentation of the research system in Romania.**

Law No. 25/11 January 2023 on the voluntary integration of Romanian research, development and innovation organisations into the European Research Area and amending Government Order No. 57/2002 on scientific research and technological development (hereinafter referred to as “the Law”) was published in the Official Journal No. 33 on 11 January 2023, and entered into force three days after the date of its publication in the Official Journal, according to the provisions of Article 12(1) of Law No. 24/2000 on the rules of legislative technique for drafting normative acts. Article 1(1) of the Law defines its objective, which is ***to regulate voluntary integration for the purpose of reducing the high degree of fragmentation in the national research and development (R&D) system.***

***The law shall encourage, facilitate and regulate the integration of research institutions Article 1(1) of the Law provides its overall scope and content, which is to regulate the voluntary integration of Romanian research institutions and encouraging them to share their respective resources and infrastructure, in order to reduce the high degree of fragmentation in the national R&D system. Chapter II of the Law establishes three possible ways to integrate research institutions (forming consortia, mergers or coordination by state owned higher education institutions). Chapter III of the Law regulates in detail the necessary performance assessment for the integration and defines performance categories (class I, II and III). Institutions part of class III have to take measures to enhance their performance, which includes either integration or the implementation of a transformation plan. In the absence of action, class III institutions are no longer eligible for dedicated project competitions and thus funding. In addition, Chapter IV provides financial incentives for institutions in class I, thereby further encouraging integration.***

**The legislative framework shall take into account the recommendations of the 2021-2022 Horizon Europe Policy Support Facility**

The Horizon Europe Policy Support Facility (***hereinafter referred to as “HE PSF”***) contains a wide set of recommendations and links them to different policy instruments. HE PSF in particular puts forward recommendations 4.1 and 7.3 and proposes these to be implemented to measure C9.R5.

***Recommendation 4.1*** of the HE PSF ***outlines a three-step process for reorganizing the public research landscape, promoting cooperation, conducting a system review, and identifying areas for integration. The first step of this recommendation is taken up in Article 4 of the Law, which promotes cooperation through the introduction of RDI consortia. These consortia, created between two or more research organizations, carry out joint R&D and innovation activities. Article 19 of the Law aligns with the second step and outlines the performance assessment for integration, involving evaluations based on various criteria, including research results, economic and financial performance, alignment with national and international priorities, and independent evaluations with international experts. Article 21 of the Law covers the third step, drawing lessons from the performance assessment identifying areas of strengths, gaps, and possibilities for cooperation.***

Recommendation 7.3 of the HE PSF to foster the use and open access to research infrastructures is taken up in the Article 19(g) of the Law, which establishes ***evaluation criteria of the research***



*institutions' performance*, the level of development of the related research infrastructure and its joint use with other research organisations.

**The legislative framework (...) shall specify at the minimum a periodic external evaluation (i.e. every 5 years) of all research and development institutes in Romania, including those at University level, based on international standards conducive towards scientific excellence and social-economic impact, in view of addressing the high fragmentation of the research & development system and their integration into the European Research Area. Furthermore, in line with the description of the measure, the legislative framework (...) shall specify at the minimum: a periodic external evaluation of the performance of all research, development and innovation organisations in Romania, and their capacity to add value to the international scientific community and create social and economic impact. Furthermore, in line with the description of the measure, the periodic evaluation shall identify synergies and potential mergers among research institutes, and access to financial and non-financial support for research organisations shall depend on the results of these periodic evaluations.**

Article 19 of the Law makes the performance assessment for integration mandatory for all research organisations governed by public law, as well as for the private law research organisations seeking integration with public law ones. In the case of an integration between private law research organisations only, the performance assessment is optional. The validity of the performance evaluation for integration is set at 5 years from its completion (Article 19(5) of the Law). However, exceptions exist, allowing research organisations to request reassessment if at least 24 months have passed since the previous evaluation (Article 19(6) of the Law).

**Article 1(a) of the Methodological Norms** ensures that the periodic external evaluations are based on international standards conducive towards integration into the European Research Area. The Methodological Norms are outlining, among others, in Article 2(3) the selection criteria for the candidates in the competition for the selection of members of the Evaluation Board; the requirement to have for the evaluation of each research organisation independent expert evaluators specialised in the specific areas of activity of the evaluated research organisation (Article 3(2)); and in Chapter III the evaluation process and general evaluation criteria of the research organisations.

**One of the criteria to be included in the evaluation is the extent to which research organisations share research facilities.**

Article 19(2) of the Law lists, among others, the level of development of the related research infrastructure and its joint use with other research organisations as an evaluation criterion of the research institutions, thus establishing as performance indicator the extent to which research organisations share research facilities.

**The legislative framework shall specify at the minimum access to financial and non-financial support for research organisations, correlated with the results of the aforementioned periodic evaluation.**

**Article 23 of the Law establishes a competitive funding system where organizations are**

***funded in correlation with*** the results of the periodic evaluation ***they are subject to.***

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 280</b>	<b>Related Measure: Establishment and operationalisation of Competence Centres</b>
<b>Name of the Milestone:</b> Establishment of 5 Centres of Competence	
<b>Qualitative Indicator:</b> Five Centres of Competence are established	<b>Time:</b> Q4 2022
<b>Context:</b> <i>Investment C9.15 aims to tackle the thematic fragmentation of research, development and innovation organizations by supporting the implementation of Horizon Europe missions at national level. The investment will create five "Centres of Competence" and aligning them with Romanian and European research priorities.</i>  Milestone #280 requires the establishment of five Centres of Competence following a competitive call. Each centres intends to implement Horizon Europe missions at the national level.  Milestone #280 is the first step in the implementation of the investment and it will be followed by target #281, related to attracting budget by the Centres of Competence from private sector research, development and innovation projects.  The investment has a final expected date for implementation on 31 December 2025.	
<b>Evidence provided:</b> The following evidence was provided: <ul style="list-style-type: none"><li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li><li>ii) Copy of the Ministerial Order No. 21480/30 September 2022, approving the Applicant Guide and launching the call for the Establishment and Operationalisation of Competence Centres that was published on the Ministry site on 30 September 2022 <a href="https://www.old.research.gov.ro/ro/articol/5628/programe-europene-planul-na-ional-de-redresare-i-rezilien-a-pnrr-componenta-9-suport-pentru-sectorul-privat-cercetare-dezvoltare-i-inovare">https://www.old.research.gov.ro/ro/articol/5628/programe-europene-planul-na-ional-de-redresare-i-rezilien-a-pnrr-componenta-9-suport-pentru-sectorul-privat-cercetare-dezvoltare-i-inovare</a> – Appendix 1;</li><li>iii) Copy of Applicant Guide for the Establishment and Operationalisation of Competence Centres PNRR-III-C9-2022-I5 – Appendix 2 (hereinafter referred to as “the Applicant Guide”);</li><li>iv) Copy of list of the five contracts signed for the five Competence Centres – Appendix 8;</li><li>v) Copy of contract for the “Establishment and operationalization of a Competence Center for Soil Health and Food Safety” – Appendix 8.1;</li><li>vi) Copy of contract for the “NetZeRoCities – National Competence Centre and solution for the development of Climate Neutral and Smart Cities” – Appendix 8.2;</li><li>vii) Copy of contract for the “Competence Center for Climate Change Digital Twin for Earth forecasts and societal recovery” – Appendix 8.3;</li><li>viii) Copy of contract for the “Creation and Development of the National Center of Competence in the field of Cancer (NCCC)” – Appendix 8.4;</li><li>ix) Copy of contract for “Integrated research and sustainable solutions to protect and restore Lower Danube Basin and coastal Black Sea ecosystems” – Appendix 8.5;</li><li>x) xxxii) Copy of the call for Investment 5 – Establishment and operationalisation of</li></ul>	

- Competence Centres - Appendix 12
- xi) Copy of addendum no.1 to the Contract for the “Creation and Development of the National Center of Competence in the field of Cancer (NCCC)” – Appendix 10.1 cancer mission additional act;
  - xii) Copy of application form of the “Creation and Development of the National Center of Competence in the field of Cancer (NCCC)” – Appendix 10.1 cancer mission application form;
  - xiii) Copy of partnership agreement for the “Creation and Development of the National Center of Competence in the field of Cancer (NCCC)” – Appendix 10.1 cancer mission partnership agreement;
  - xiv) Copy of addendum no.1 to the Contract for the “Competence Center for Climate Change Digital Twin for Earth forecasts and societal recovery” – Appendix 10.1 climate change additional act;
  - xv) Copy of application form of the “Competence Center for Climate Change Digital Twin for Earth forecasts and societal recovery” – Appendix 10.1 climate change mission application form;
  - xvi) Copy of partnership agreement for the “Competence Center for Climate Change Digital Twin for Earth forecasts and societal recovery” – Appendix 10.1 climate change mission partnership agreement;
  - xvii) Copy of addendum no.1 to the Contract for the “Integrated research and sustainable solutions to protect and restore Lower Danube Basin and coastal Black Sea ecosystems” – Appendix 10.1 oceans mission additional act;
  - xviii) Copy of application form of the “Integrated research and sustainable solutions to protect and restore Lower Danube Basin and coastal Black Sea ecosystems” – Appendix 10.1 oceans mission application form;
  - xix) Copy of partnership agreement for the “Integrated research and sustainable solutions to protect and restore Lower Danube Basin and coastal Black Sea ecosystems” – Appendix 10.1 oceans mission partnership agreement;
  - xx) Copy of addendum no.1 to the Contract for the “NetZeRoCities – National Competence Centre and solution for the development of Climate Neutral and Smart Cities” – Appendix 10.1 smart cities mission additional act;
  - xxi) Copy of application form of the “NetZeRoCities – National Competence Centre and solution for the development of Climate Neutral and Smart Cities” – Appendix 10.1 smart cities mission application form;
  - xxii) Copy of partnership agreement for the “NetZeRoCities – National Competence Centre and solution for the development of Climate Neutral and Smart Cities” – Appendix 10.1 smart cities mission partnership agreement;
  - xxiii) Copy of addendum no.1 to the Contract for the “Establishment and operationalization of a Competence Center for Soil Health and Food Safety” – Appendix 10.1 soil mission additional act;
  - xxiv) Copy of application form of the “Establishment and operationalization of a Competence Center for Soil Health and Food Safety” – Appendix 10.1 soil mission application form;
  - xxv) Copy of partnership agreement for the “Establishment and operationalization of a Competence Center for Soil Health and Food Safety” – Appendix 10.1 soil mission partnership agreement.
  - xxvi) Copy of Ministerial Order 21451 published in the Official Journal No. 953 on 30 September 2022 – Appendix 3;
  - xxvii) Copy of call for the selection of a public partner for the evaluation of the projects submitted under I5.C9 – Appendix 4;
  - xxviii) Copy of the methodology for the selection of a public partner for the evaluation of the projects submitted under I5.C9 – Appendix 5;

- xxix) Copy of the Evaluation Sheet for the selection of the five Competence Centres – Appendix 6 hereinafter referred to as “the Evaluation Sheet”;
- xxx) Copy of the Evaluator Guide for the selection of the five Competence Centres – Appendix 7 (hereinafter referred to as “the Evaluator Guide”);
- xxxi) Copy of the list of experts who participated at the evaluation process – Appendix 9;
- xxxii) Copy of the partnership agreement with the public partner selected for the evaluation of the projects submitted under I5.C9 – Appendix 11;
- xxxiii) Copy of the summary table with the preliminary eligibility and administrative compliance results of the call (link [https://www.old.research.gov.ro/uploads/pnrr/suport-pentru-sectorul-private-research-development-and-innovation/i5/rezultate/summary\\_results-preliminary-eligibility-i5.pdf](https://www.old.research.gov.ro/uploads/pnrr/suport-pentru-sectorul-private-research-development-and-innovation/i5/rezultate/summary_results-preliminary-eligibility-i5.pdf)) – Appendix 13.

### Analysis

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

**To tackle the thematic fragmentation of research, development and innovation organizations, a competitive call shall be organized for the selection of 5 complex research, development and innovation projects. The funding scheme is called “Competence Centre”.**

**The Ministry of Research, Digitalisation and Innovation (MRDI) launched** the call for Investment 5, titled "Establishment and operationalisation of Competence Centres" (Appendix 12), on 30 September 2022. The aim of the call was to select five complex, multidisciplinary research, development, and innovation projects to tackle the thematic fragmentation of research organizations. The call **was open until 14 November 2022**. The call was organised as a competitive, open and transparent one as laid down in the Ministerial Order No. 21480/30 September 2022, approving the Applicant Guide and launching the call for the Establishment and Operationalisation of Competence Centres (Article 1) and the Applicant Guide (Section 1.2.). The Applicant Guide (referenced in Article 1 of the Order) laid out detailed criteria and requirements for participation, ensuring that proposals were aligned with the aim of reducing fragmentation. This included promoting interdisciplinary collaboration and integrating diverse research themes.

**Based on the projects proposals submitted, as the result of the competitive, open and transparent call organised by the Ministry of Research, Digitalisation and Innovation, 5 centres of competence shall be established, one for each Horizon mission. The purpose is to implement Horizon Europe missions at national level in a coordinated manner and to tackle thematic fragmentation.**

**Following the competitive, open and transparent call, 18 project proposals were submitted (Appendix 13), out of which three were declared ineligible. A selection process conducted by internationally recognized independent experts (Appendix 9) selected five projects, each corresponding to one of the Horizon Europe missions. Five grant contracts have been signed (Appendix 8) for the establishment of five** Competence Centres, one for each Horizon mission (Appendixes 8.1 – 8.5). The five grant contracts outline the obligations and activities to be undertaken to establish and operationalize the Competence Centre. The contracts mention the phased implementation of activities, which implies the establishment of the competence centres.

The Ministerial Order No. 21451 providing funding for the establishment and operationalization of Competence Centres was published in the Official Journal No.953 on 30 September 2022 and entered into force on the date of its publication in the Official Journal, in line with Article 12(3) of Law 24/2000 on the rules of legislative technique for drafting normative acts (Appendix 3).

Section 1.3 of the Applicant Guide outlines that the objective of the projects is implementing Horizon Europe missions at national level by creating National Competence Centres, and addressing thematic fragmentation.

**Centres of Competences shall be selected based on:**

**- a complex and applicative research, development and innovation projects proposed by consortia of public and private research, development and innovation organizations, including small and medium enterprises, who shall implement together Strategic Research and Innovation agenda of the correspondent mission from Horizon Europe and deliver research, development and innovation solutions for local communities.**

The selection process for the Competence Centres is rigorously designed to ensure alignment with Horizon Europe missions and the effective delivery of RDI solutions for local communities. The Applicant Guide (Appendix 2) provides detailed conditions for participation and eligible participants, ensuring only qualified consortia are considered. Specifically, section 1.7.2 of the Applicant Guide emphasizes that the consortia must include public law research organizations and SMEs, who are required to propose a joint RDI strategic agenda reflecting regional and national needs. The Applicant Guide specifies that these consortia must jointly develop a strategic research and innovation agenda linked to the European agenda of an EU mission and support its implementation through RDI activities. Furthermore, the joint agenda must be regularly updated to reflect the sustainability of collaboration and the integration of local needs, ensuring the delivery of relevant and impactful solutions to local communities.

**- the scientific merit of the project, its level of excellence and the coherence of the proposed research agenda with the strategic research agenda of the Horizon Europe missions shall be the main evaluation criteria for the selection of the funded proposals – one for each mission in Horizon Europe.** For ensuring the selection was based on the scientific merit of the projects, the MRDI tasked, using a Public Procurement Scheme for Scientific Assessment (Appendix 4i and Appendix 5), *the Executive Agency for Higher Education, Research, and Innovation Funding (UEFISCDI) with the evaluation of the projects (Appendix 11). Section 5.2.4 of the Evaluator Guide outlines that the scientific merit of the projects, their level of excellence, and the coherence of the proposed research agendas with Horizon Europe missions as the main criteria for the selection of the funded projects, one for each mission in Horizon Europe. UEFISCDI applied the criteria outlined in the Evaluator Guide by systematically documenting the assessment through the completion of the Evaluation Sheet for the selection of the funded proposals – one for each mission in Horizon Europe.*

**- the administrative capacity, experience and the quality of the management plan for the project shall also be assessed during the project evaluation process conducted with international experts. Complementarity among members of the consortium and past experience in working together are also criteria to be used in the selection process.**

*Sections 1.7 and 1.8 of the Applicant Guide outline among the eligibility criteria for applicants the administrative capacity, experience, and quality of the management plan of each proposal. These criteria were therefore integral to the selection process. Section 5.2.4 of the Evaluator Guide specifies that the Evaluation Sheet used by experts include as evaluation*

***criteria of the projects the administrative capability and management quality of the proposals. Section 1.5 of the Applicant Guide mandates that projects demonstrate the complementarity among consortium members and their past experience working together. The evaluation process was conducted by UEFISCDI (selected through the procedure mentioned above), involving 62 international experts (Appendix 9). UEFISCDI selected the five competence centres based on their demonstrated complementarity among members of the consortium and past experience in working together, in accordance with the detailed criteria comprised in the Applicant Guide (Section 1.5), Evaluator Guide (Section 5.2.4), and Evaluation Sheet (Appendix 6).***

**- the eligible activities are research and innovation activities, upgraded research equipment, dissemination activities and support activities (studies regarding implementation of each mission in Romania), costs related to Intellectual Property Rights.**

***UEFISCDI selected the five competence centres following the evaluation process outlined in the Section 5 of the Evaluation Guide and assessed the applications that were prepared in accordance to the Applicant Guide. Section 1.5 of the Applicant Guide outlines the compulsory nature of research and innovation activities, upgraded research equipment, dissemination activities, and support activities for the proposed projects. Section 2 of the Applicant Guide lists as eligible expenditures costs related to Intellectual Property Rights such as obtaining, validating and defending patents and other intangible assets. UEFISCDI selected the five competence centres based on the highest scores obtained following a point-based assessment done by using the Evaluation Sheet. The Evaluation Sheet included specific criteria assessing how the applicants adhered to, among others, the conditions outlined in the Sections 1.5 and 2 of the Applicant Guide related to the above-mentioned eligible activities.***

**- a mapping of research, development and innovation resources, including equipment and infrastructures, related to the thematic areas of the missions, also to be upgraded and used in a shared manner by the applicants.**

***Section 1.4. of the Applicant Guide mandates the development of a joint Strategic Research Agenda by each consortium, reflecting the mapping of existing research, development and innovation (RDI) resources and aligning with the thematic areas of the Horizon Europe missions. Proposals included plans for upgrading existing research equipment and infrastructures, which have to be shared among consortium, as outlined in the Section 1.5. of the Applicant Guide.***

***Section 5.2. of the Evaluation Sheet includes the scientific merit, administrative capacity, and quality of the management plan, with a specific focus on how the project upgrades and utilizes the mapped RDI resources in a shared manner.***

**Addendum No. 1 to each of the five Grant Contracts (**Appendixes 10.1**) emphasizes the obligation for mapping RDI resources.**

**- an eligible budget that is maximum EUR 5 million/project and with a minimum number of 5 partners (5 public research, development and innovation organizations + 5 private research,**

development and innovation organizations). There shall be a maximum budget for SMEs, of EUR 200 000 and a maximum budget for a public research, development and innovation organization of EUR 500 000. SMEs shall co-fund research and innovation activities with 25%.

*Section 1.9 of the Applicant Guide specifies that each project has a maximum budget of RON 24,671,000, equivalent to EUR 5 million. Article 3.1 included in each of the five grant contracts (Appendixes 8.1-8.5) specifies the overall budget for the grant contract, respecting the total amount of maximum EUR 5 million/project. Subsection 1.7.2 of the Applicant Guide mandates that each project must include at least 5 public RDI organizations and 5 private RDI organizations. The Applicant Guide's Section 1.9 caps the budget for SMEs at RON 986,840, which is equivalent to EUR 200,000, as detailed in Section 1.9. The same section mentioned that public RDI organizations are allocated a maximum budget of RON 2,467,100, equivalent to EUR 500,000.*

*Section D1.2 of the Addendum no.1 to each of the Grant Contract (Appendix 10.1) details the public funding and co-funding from SMEs, implementing the 25% co-funding rule as stipulated in the Application Guide.*

- an engagement with public authorities at various levels of governance and civil society in order to implement research, development and innovation solutions related to the Horizon Europe missions. As such, public authorities shall be involved as third parties without being directly linked to the research consortium of the competence centre and shall be among the recipients of some of the products/services/solutions identified by researcher from Competence Centres.

Sections 1.5– 1.7 of the Applicant Guide present the requirements for engaging public authorities at various levels of governance and civil society for the selection of Centre of Competences.

Section B1 of the Addendum No. 1 to each of the five Grant Contracts (Appendixes 10.1) outlines how the selected Competence Centres align with the Horizon Europe missions, indicating the potential impact on public authorities and civil society. In this section, details are also provided on the involvement and impact on public authorities and civil society, ensuring their engagement in the research and development solutions.

Section C2 of the Addendum no.1 to each of the five Grant Contracts (Appendixes 10.1) specifies how public authorities and civil society are involved in the governance structure of the proposed projects and how they will benefit of the products/services/solutions identified by the respective Competence Centres, ensuring their participation and contribution without direct membership in the research consortium. Public authorities and civil society organisation are listed as third parties in each grant contract, confirming their role and involvement in the projects.

**Each selected Centre of Competences shall aim to support at least 3 applications above the threshold to Horizon Europe by 2026.**

*Section 1.5 and subsection 1.6.1 of the Applicant Guide provide explicit requirements related to the expected achievement of the specific goal to support at least three applications above the threshold to Horizon Europe by 2026.*

*Section B2 of the Addendum no.1 of the each of the five Grant Contracts (Appendixes 10.1), details how each of the five sub-projects' expected results are aiming to serve as a fitting starting point for applications above the threshold to Horizon Europe by 2026.*

Furthermore, in line with the description of the measure, the Centres shall be established

**based on a competitive call as consortia of public and private research institutes, (...), enhancing academia-business collaboration in societally relevant research fields. Projects shall contribute to the delivery of solutions improving the lives of citizens, meeting the local needs and increasing the impact of research results at the community level.**

Addendum no. 1 to each of the five grant contracts (Appendixes 10.1) mentions among the research objectives the enhancement of academia-business collaboration in societally relevant research fields. The Applicant Guide (Appendix 2) mandates involving public authorities and civil society in implementing solutions identified by the Competence Centres, refining the research agenda to meet local community needs, and increasing the impact of research results at the local level.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 308</b>	<b>Related Measure: Creating the policy framework for sustainable urban transformation</b>	
<b>Name of the Milestone:</b> Entry into force of the Government Decision establishing the Romanian Urban Policy Framework		
<b>Qualitative Indicator:</b> Provision in the Government Decision indicating the entry into force of the Romanian Urban Policy Framework		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #308 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.</p> <p>Milestone #308 requires the entry into force of a Government Decision which shall define the roles and responsibilities of public authorities at national and local level to implement the Romanian Urban Policy, ensure the integration of principles of sustainable development, including by enforcing nature-based solutions into urban planning documents, operationalise key performance indicators derived from the priority objectives of the Romanian Urban Policy, establish a stable and predictable funding mechanism for the implementation of the urban policy, and encourage local cooperation.</p> <p>Milestone #308 is the second step in the implementation of this reform. It follows milestone # 307 on the entry into force of the Metropolitan Areas Act, positively assessed in the framework of Romania's second payment request. The reform has a final expected date for implementation on 30 June 2026</p>		
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document note duly justifying how the milestone was satisfactorily fulfilled;</li> <li>ii. Copy of Government Decision approving the Romanian urban policy - National Integrated Urban Development Strategy for resilient, green, inclusive and competitive cities 2022-2035, No. 1575 on 30 December 2022;</li> <li>iii. Copy of Annex to the Government Decision No. 1575 of 30 December 2022.</li> </ol>		
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.</p>		



## **Entry into force of the Government Decision establishing the Romanian Urban Policy Framework**

Government Decision approving the Romanian Urban Policy - National Integrated Urban Development Strategy for resilient, green, inclusive and competitive cities 2022-2035, No. 1575 of 30 December 2022 was published in the Official Journal, part I, No. 1275/30 on 30 December 2022 and entered into force on the same date, in accordance with Article 12(3) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts.

### **The Government Decision shall**

- **Define the roles and responsibilities of public authorities at national and local level to implement the Romanian Urban Policy**

Chapters XI and XII of the “Romanian Urban Policy - National Integrated Urban Development Strategy for Resilient, Green, Inclusive and Competitive Cities 2022-2035” (hereinafter the “Policy”), define the roles of the national and local level authorities in the implementation of the Policy. The Ministry of Development, Public Works and Public Administration is the coordinator of the Policy with a role in monitoring and evaluation of its implementation (pages 75 and 79). This ministry will also provide the technical staff and the secretariat of the Coordination Committee of the National Integrated Urban Development Strategy for Resilient, Green, Inclusive and Competitive Cities 2022-2035 (page 79), acting as a decision-making body.

Together with the relevant specialised agencies (i.e. the Agency for Environment Protection, the Authority for the Digitalisation of Romania, the National Agency for housing and the National Company for Investments), the main actors in implementing the Policy are the local public administration and associations of local public authorities and metropolitan areas. As per the Action Plan (Chapter XIII), their responsibilities consist in implementing measures linked to the objectives of the Policy. Furthermore, the local public authorities have the responsibility to collect and report on the state of implementation (physical and financial) of the projects contributing to the implementation of the Policy (page 75).

- **Integrate the principles of sustainable development, including by enforcing nature-based solutions, into urban planning documents**

One of the main horizontal objectives of the strategy refers to sustainable development, in particular by “Creating liveable and climate smart cities by developing green and blue infrastructure to mitigate and adapt to urban risks” (page 59). To reach this objective the Policy’s Action Plan includes sustainable development measures such as creating local registries of green spaces (line 37), setting up instruments for planning and regulating water and green areas (line 38) and a framework to facilitate the development of green areas (lines 42 and 43).

Furthermore, the Policy provides that urban planning documents must entail, inter alia, the use of nature-based solutions – green and blue infrastructure (Action Plan, line 6).

- **Operationalize key performance indicators derived from the priority objectives of the Romanian Urban Policy (i.e. improved mobility, improved spatial planning, improved housing conditions, local public services for marginalized/peripheral communities and access to public transport)**

The Policy’s Action Plan (pages 82 to 90) translates the policy objectives and measures into performance indicators, covering improved mobility, improved spatial planning, improved housing

conditions, local public services for marginalized/peripheral communities and access to public transport.

The **improved mobility** is measured through indicators such as “41 urban areas with operational Information Transport System by 2030” (Action Plan, line 66), “20 towns with dedicated transport lanes for micro-mobility by 2030” (Action Plan, line 65), “30 000 operational charging points by 2030” (Action Plan, line 63), “41 urban areas with metropolitan public transport by 2030 (Action Plan, line 68)”. The **improved spatial planning** is measured through indicators such as “120 cities with updated general Urban Planning by 2027” using digital tools to inform local investment plans and respond quickly to development dynamics (Action Plan, line 15), and as a result of measures supporting the completion of the cadastre works “319 cities should have an updated ortho-photos by 2013” (Action Plan, line 16). The **improved housing conditions** is measured through indicators such as “8 000 housing units built by 2030” for persons pertaining to vulnerable groups (Action Plan, line 92), “2 845 housing units by 2027” for youngsters below 35 years old coming from marginalised communities (Action Plan, line 93). The **improved local public services for marginalized/peripheral communities and access to public transport** is measured through indicators such “200 km of sewage networks by 2026” in areas with more than 2 000 inhabitants, “200 informal settlements with a clarified judicial status by 2027” (Action Plan, line 101), “500 housing units built by 2027” for education and healthcare professionals to support the access to persons from marginalized communities to healthcare and education services (Action Plan, line 94), “20 urban areas obtain finance for integrated healthcare centres by 2030” (Action Plan, line 88), “41 urban areas with metropolitan public transport by 2030 (Action Plan, line 68)”.

- **Establish a stable & predictable funding mechanism for the implementation of the urban policy**

The Policy includes funding mechanism for each one of the measures listed in the Action Plan (page 82 to 90). The measures (i.e. investments) in the Action Plan include specific amounts of money assigned for their implementation. The funding sources indicated at the measure level, refer to adopted EU funding programmes (RRF and EU structural and cohesion operational programmes), state budget and local level budgets. As such, the funding mechanism is stable and predictable.

- **Encourage local cooperation by stimulating sustainable urban development projects proposed at functional urban area level and aligned with Sustainable Integrated Urban Development Plans.**

The Policy’ Action Plan includes measures to enable the delivery of public services at the metropolitan area level (i.e. functional urban area) by supporting the “set-up of agencies for planning at metropolitan areas” and support the “management of public services in partnership at metropolitan level” (lines 130 and 131). Furthermore, it supports the creation of sustainable urban development projects by targeting the creation of “41 metropolitan areas public transport services” (line 68) and includes a programme to support the creation of the metropolitan trains (Action Plan, line 29). It also includes measures to set up General Urban Planning documents for metropolitan areas (line 5) and it requires alignment of the Sustainable Integrated Urban Development Plans with the specifications of the urban Policy (Action Plan, line 10), which also include its sustainable urban development measures/projects.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>transformation: establishing administrative consortia in functional rural areas</b>	
<b>Name of the Milestone:</b> Entry into force of the legislative act amending the Administrative Code and establishing of administrative consortia in neighbouring rural or predominantly rural administrative territorial units, existing as functional rural areas.	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislative act	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #310 is part of reform C10.R3. The objective of the reform is to allow people living in rural areas, including those of marginal/peripheral communities, an increased access to quality services such as mobility, housing and other public services delivered at local level.</p> <p>Milestone #310 requires the entry into force of the amendments to the Administrative Code to allow for the establishment of administrative consortia in functional rural areas, which are neighbouring rural administrative units that are economically and socially integrated, and face similar challenges and opportunities for their development (such as proximity to common natural resources, exposure to same structural shocks).</p> <p>Milestone #310 is the first step in the implementation of this reform and will be followed by target #311, related to the decrease in poverty and social exclusion rates in rural areas The reform has a final expected date for implementation on 30 June 2026.</p>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Copy of Law No. 375/2022 amending GEO No. 57/2019 amending and supplementing Emergency Government Ordinance No 57/2019 on the Administrative Code, published in the Official Journal, part I, No. 1255 on 27 December 2022</li> <li>iii. Copy of the Law No. 387 /2023 amending and supplementing Emergency Government Ordinance No 57/2019 on the Administrative Code and supplementing Law No 273/2006 on local public finances, published in the Official Journal, part I, No. 1120 on 12 December 2023</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.</p> <p><b>Entry into force of the legislative act amending the Administrative Code and establishing of administrative consortia in neighbouring rural or predominantly rural administrative territorial units, existing as functional rural areas.</b></p> <p>The Council Implementing Decision requires the entry into force of the legislative act amending the Administrative Code and establishing of administrative consortia. To secure compliance with the milestone requirements Romania enacted two laws:</p> <ul style="list-style-type: none"> <li>- Law No. 375/2022 amending GEO No. 57/2019 amending and supplementing Emergency Government Ordinance No 57/2019 on the Administrative Code which was published in the Official Journal, part I, No. 1255 on 27 December 2022 and entered into force on 30 December 2022, as established by Article 12(1) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts;</li> <li>- Law No. 387 /2023 amending and supplementing Emergency Government Ordinance No 57/2019 on the Administrative Code and supplementing Law No 273/2006 on local public</li> </ul>	

finances was published in the Official Journal, part I, No. 1120 on 12 December 2023 and entered into force on 15 December 2023, as established by Article 12(1) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts.

Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, Romania enacted the two amendments to secure compliance with all the milestone requirements. As of this, this minimal deviation does not affect the progress towards achieving the reform that milestone #310 represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The changes to the Administrative Code shall establish administrative consortia in functional rural areas (as defined according to the Degree of Urbanisation (DEGURBA) methodology) that show some degree of economic and social integration, and/or face similar challenges and opportunities for their development (e.g., proximity to common natural resources, exposure to same structural shocks).**

The Council Implementing Decision states that “the changes to the Administrative Code shall establish administrative consortia in functional rural areas”. The description of the related measure in the Council Implementing Decision however states that “amendments to the Administrative Code shall allow for the establishment of administrative consortia in functional rural area”. In this regard, Romania’s recovery and resilience plan provided that “the amendment to the Administrative Code aims to regulate the legal regime for the organisation and functioning of administrative consortia in functional rural areas”. In light of the purposive interpretation of this requirement from the Council Implementing Decision, it is interpreted that this requirement calls for the entry into force of the legal provisions enabling the establishment of administrative consortia in functional rural areas. Article 89(8<sup>2</sup>) of Law No. 387/2023 provides that administrative consortia, as inter-community development associations made up of two or more neighbouring administrative and territorial units which have on their territory at least one rural administrative unit, can be established. As such the amendments to the Administrative Code allow for the establishment of administrative consortia. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Moreover, the Council Implementing Decision also required the administrative consortia in functional rural areas to be “defined according to the Degree of Urbanisation (DEGURBA) methodology”, i.e. in thinly populated areas where more than 50% of the population lives in rural grid cells. Article 89(8<sup>3</sup>) of Law No. 387 /2023 defines the functional criteria to delimit the territory of an administrative consortia, “by neighbouring administrative territorial units covering rural geographical areas with potential for agricultural, economic, social, cultural, traditional, environmental, infrastructure, digitalisation or access to public services and/or facing similar challenges and opportunities for their development”. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the focus of the administrative consortia remains on neighbouring administrative territorial units covering rural geographical area. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that milestone 310 represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The legislative changes shall:**

- **Define the juridical regime and responsibilities of the administrative consortia established based on a functional rural area approach, in view of improving the efficiency of public social,**

**education and healthcare services, as well as support for self-employed in agriculture (such as access to markets and increased cooperation), and the efficacy of implementing investments, that shall lead to improving territorial cohesion, integration of rural areas and sustainable capitalization of natural and cultural heritage.**

Article 89(8<sup>2</sup>) of Law No. 387/2023 provides that administrative consortia, as inter-community development associations made up of two or more neighbouring administrative and territorial units which have on their territory at least one rural administrative unit, “shall have legal personality and are of public utility (...)”. Article 89(8<sup>4</sup>) of the Law provides that the administrative consortia are set with the objective of improving the efficiency of public services, in particular public social, educational and health services, increasing the effectiveness of investment implementation at local level, supporting the self-employed in agriculture, by facilitating access to markets and increased cooperation, making the use of specialised human resources more efficient in order to meet the interests of local authorities, digital integration of public services provided by the administrative-territorial units, safeguarding natural and cultural heritage, and sustainable development of the territory of all administrative-territorial units, in the consortium. To support with meeting those objectives, based on Article (91<sup>1</sup>) of Law No. 375/2022, administrative consortia have responsibilities linked to performing social services, digital integration of services, public procurement, issuing construction permits, human resource management, and financial control, *inter alia*.

- **Set-up a body corresponding to each administrative consortia that shall perform activities specific for more local public authorities and shall contribute to implement the strategic objectives of public authorities involved.**

The Council Implementing Decision states that the legislative changes shall set up a body corresponding to “**each administrative consortia that shall perform activities specific for more local public authorities**”. Romania’s recovery and resilience plan provided “**the establishment of an entity for each administrative consortium that will carry out specific activities on behalf of several local public authorities and which will contribute to the implementation of the strategic objectives of the local public administration authorities involved**”. In light of the purposive interpretation of this requirement from the Council Implementing Decision, it is interpreted that this requirement calls for the entry into force of the legislative changes for setting out a body corresponding to each administrative consortia that shall perform activities **on behalf of more local public authorities**. Article I. 3 of Law No. 387 /2023 provides that, similar to an intercommunal association, the administrative consortia are run by a “General assembly” which is composed of the representatives of each administrative territorial unit, and “council of directors” which is the executive body of the association. Based on the mandate received from the “General assembly” the council of directors can take over “local council” responsibilities, such as tasks relating to the administrative-territorial unit, organisation and operation of the mayor’s office, companies and autonomous authorities of local interest, and *inter alia*, tasks relating to the economic, social and environmental development of the locality. Such tasks allow the council of directors to implement the strategic objectives of public authorities involved and to perform activities on behalf of more local public authorities. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

- **The body shall manage the following types of public services: territorial and urban planning; public procurement; investments; managing the public and private domain; financial and accounting; juridical; social assistance; agricultural registry; civil registry; cadastre.**

Article I, point 2 of Law No. 375/2022 and Article I point 5, 6 and 7 of Law No 387/2023 set out that the executive body of the administrative consortia shall manage, *inter alia*, territorial and urban

planning services, public procurement, investments, managing the public and private domain, financial and accounting, juridical, social assistance, agricultural registry, civil registry, and cadastre.

- **Ensure a transparent and predictable budget, made up of contributions from the administrative units composing the administrative consortia and transfers from central government based on transparent performance criteria linked with the policy objectives at the level of functional rural area**

Article 91<sup>1</sup> of Law No. 387 /2023 provides that the budget of administrative consortia is based on contributions from the administrative units composing the administrative consortia. Article 91<sup>6</sup> of the Law No. 387 /2023 specifies that the contribution of the administrative territorial units is based on criteria such as surface of the administrative territorial units and the number of users/beneficiaries of public services. In addition, Law No. 387 /2023 introduces an exception to Law No.276/2006 regarding local public finances and allows administrative consortia to receive 5% of the income tax of persons residing in the administrative territorial units part of the consortia. Article 91<sup>1</sup>(17) of Law No. 375/2022 provides that additional sources of funding are transfers from central government by national development programs. These are financed through multiannual programmes with the purpose of supporting the administrative consortia by the state budget. According to the same article these are to be based on transparent performance criteria in line with the policy objectives pursued by the administrative consortia. Finally, Article 91<sup>4</sup>(11) and (12) sets out that the administrative consortia can be eligible for various financing programmes, including EU ones.

- **Make possible the full digital integration of the public services delivered by the administration units, of the consortia in view of delivering public services at a reduced time for citizens' and entrepreneurs', including through joint procurement for provision of goods and services, at functional rural area level.**

Article 89(8<sup>3</sup>) of Law No. 387 /2023 provides that administrative consortia are to be composed of neighbouring rural administrative territorial units which can, *inter alia*, deliver public services in a digital manner. Moreover, Article 89(8<sup>4</sup>) of the of Law No. 387 /2023 provides that administrative consortia can take over responsibilities, based on the mandate received by the General Assembly of the administrative consortia, to perform activities towards the digital integration of the public services delivered by one or more administrative territorial units. In addition, Article 91<sup>5</sup> of Law No. 387/2023 modifies Law No. 89/2016 concerning public procurement, and sets out the possibility for administrative consortia to be contracting authorities on behalf of several administrative territorial units with the purpose of procuring goods and services to meet common policy objectives. Finally, based on Article 91<sup>1</sup> (18) of Law No. 387/2023 the multiannual programme for administrative consortia is set to further contribute to the digital integration of the public services delivered by the administrative units of the consortia. Based on Article 91<sup>1</sup> (18), point b) of Law No. 387/2023, the objective of the programme is the digital integration of public services delivered by administrative territorial units of administrative consortia, with a view to providing public services within a shorter time for citizens and entrepreneurs.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

Number: 317

**Related Measure: Construction of housing for youth and for professionals in health and education**

**Name of the Milestone:** Signature of all funding contracts for building housing for young people coming from vulnerable communities and groups, and for health and education professionals in urban and rural areas

**Qualitative Indicator:** Signature of contracts

**Time:** Q4 2022

**Context:**

Milestone #317 is part of investment C10.I2, which aims to increase access to quality housing for youngsters in need and for professionals in healthcare and education providing such services in marginalised communities and to marginalised groups.

Milestone #317 requires the signature of all funding contracts to build housing for young people coming from vulnerable communities and groups, and for health and education professionals in urban and rural areas.

Milestone #317 is the first step in the implementation of the investment, and will be followed by target #318, which sets a goal of 3 490 housing units built for young people coming from vulnerable communities/groups, and target #319 which sets a goal of 873 housing units built for professionals in health and education.

The investment has a final expected date for implementation on 30 June 2026.

**Evidence provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii. Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approving the Specific Guide - Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund.
- iii. Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022 amending and supplementing the Specific Guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, component 10 – Local Fund, approved by Order of the Minister for Development, public works and administration No. 999/2022.
- iv. Government Decision No. 842/2022 approving the National Strategy for housing for the period 2022-2050, which includes the Strategy and the Action Plan, published in the Official Journal, Part I, No. 653 bis on of 30 June 2022.
- v. List of signed contracts setting out the contract number, duration of the project, project title, relevant county and financial value.
- vi. 60 signed contracts sampled.

**Analysis:**

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

**The grant funding scheme shall be drawn up on the basis of the provisions of the National Housing Strategy and the Action Plan, aligned with the specifications of the milestone 312.**

Ministerial Order No. 999/2022 published in Official Journal No. 467 on 10 May 2022 approves the Specific Guide on Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund (*hereinafter “the Specific Guide”*). The Specific Guide is provided as an Annex to Ministerial Order

No. 999/2022. Article 1 of the Ministerial Order provides that the Annex forms an integral part of the Order.

Article 1(2) of Ministerial Order No. 2615/2022 published in Official Journal No. 976 on 7 October 2022, amends and supplements the Specific Guide. Ministerial Order No. 2615/2022 does not modify any of the elements of the Specific Guide referred to below.

Section 2 of the Specific Guide on the eligibility of activities and expenditure provides that the construction of dwellings for young people from marginalised communities and vulnerable groups is to be aligned with the provisions of the National Housing Strategy and the Action Plan (page 40).

Section 2 of the Specific Guide on the eligibility of activities and expenditure also provides that the housing units for medical and education professionals shall be granted to Administrative Territorial Units/ Administrative consortia/ Metropolitan Areas based on the Action Plan (page 43).

Milestone #312, requiring the entry into force of the legislative act for the implementation of the National Housing Strategy and Action Plan, was assessed as satisfactorily fulfilled in the context of Romania's second payment request. Under that milestone, Government Decision No. 842/2022, which approves the National Housing Strategy and the Action Plan associated to the strategy, was adopted. In the context of the assessment of Romania's second payment request, the Commission concluded that the National Housing Strategy and its Action plan were aligned with the specifications of milestone #312.

The grant funding scheme has therefore been drawn up on the basis of the provisions of the National Housing Strategy and the Action Plan.

**The funding scheme shall be open for all Administrative Territorial Units/Metropolitan areas/Administrative Consortia...**

The Specific Guide indicates that the funding scheme is open to "a. Administrative territorial units [...], b. municipalities [...], c. the administrative territorial subdivisions of the municipality of Bucharest [...], d. partnerships between administrative-territorial units" (page 9).

**...and comply with the following mandatory specifications:**

**A) The housing for youth shall be granted to Administrative Territorial Units/ Administrative consortia/ Metropolitan Areas based on an integrated action plan to improve the living conditions of youngsters in vulnerable communities and groups and their household, including measures to foster social and economic integration of the targeted groups.**

Section 2 of the Specific Guide provides that Administrative Territorial Units (*hereinafter "ATUs"*)/Partnerships for administrative consortia/metropolitan areas must meet the following conditions to obtain the grant:

"-present[ing] [...] the need for housing for young people from marginalised communities or vulnerable groups, as well as the integrated action plan that will aim to improve housing conditions for [ them], including through measures for the social and economic integration of target groups, in line with the requirements set out in milestone 317" (page 43).

**The young people benefitting shall satisfy cumulatively the condition of coming from a vulnerable community/group, aged between 18 and 35 years old, with an income per family member below**



**the average monthly wage per economy, does not own a house/has not owned a house, currently living in overcrowded/poor housing conditions. The criteria would also take into account if the young people have one or more children in care/living in their household.**

The Specific Guide (page 43) provides that, in accordance with the mapping of marginalised communities and the criteria for identifying vulnerable groups under the National Housing Strategy, young beneficiaries must cumulatively meet the conditions of:

- coming from a marginalised community/vulnerable group (in accordance with the provisions of the Social Assistance Act No. 292/2011 and Law No. 116/2002 on preventing and combating social marginalisation),
- be between 18 and 35 years of age,
- have an income per family member below the average monthly salary in the economy,
- not owning or having owned a home,
- currently living in precarious/overcrowded housing conditions.

The Specific Guide also specifies that the criterion whether young people have one or more dependent/household children has also to be taken into account.

**B) The housing units for medical and education professionals shall be granted to Administrative Territorial Units/ Administrative consortia/ Metropolitan Areas based on an integrated action plan to improve medical or educational services for vulnerable communities and groups as identified by the mapping of needs especially in marginalized communities and groups. Equally, the investment shall be done in correlation with the investments in the Education, Health (e.g. Development of prehospital medical infrastructure aiming to increase the access to basic medical services) and to the Renovation Wave components of the national recovery and resilience plan, as well as with the Investment 3 of the current component (moderate renovation of public buildings), with the Operational Programmes (2014-2020 and 2021- 2027) or other programmes. Furthermore, in line with the description of the measure, houses shall be equally built for health and educational professionals in urban and rural areas where marginalised communities and groups are living and shortages in providing healthcare and education services have been previously identified.**

Section 2 of the Specific Guide (page 41-43) provides that ATUs/Partnerships for administrative consortia/metropolitan areas must meet conditions which include:

“- present[ing] in the background note the need for housing for health and education professionals, as well as the integrated action plan that will include measures to improve access to health and education services, including the provision of adequate space for these services. [...]

- present[ing] [...] the integrated action plan that will include measures to improve access to health and education services, including the provision of adequate space for these services. [...] The investment will also go hand in hand with investments in the Education, Health (e.g. development of pre-hospital medical infrastructure with the aim of increasing access to basic health services) and the Renovation Wave of the National Recovery and Resilience Plan, as well as with investment 3 of this component (Moderate renovation of public building), Operational Programmes (2014-2020 and 2021-2027) or other programmes.”

The description of the investment on page 40 of the Specific Guide indicates that “[h]ousing will also be built for health and education professionals in urban and rural areas where marginalised communities and vulnerable groups live, and where shortages in the provision of health and

education services have previously been identified.”

**Signature of all funding contracts for building housing for young people coming from vulnerable communities and groups, and for health and education professionals in urban or rural areas.**

Romania submitted a list of 233 contracts that have been signed for building housing for young people coming from vulnerable communities and groups, and for health and education professionals in urban or rural areas, setting out the contract number, duration of the project, project title, relevant county and financial value.

Following the selection of a random sample of 60 contracts, Romania submitted copies of 60 financing contracts. The evidence provided for the sample of 60 contracts confirmed that each contract in the sample covers the requirements set out in the Council Implementing Decision.

In particular, each sampled contract was duly signed and included a legally binding reference to the provisions of Ministerial Order No. 999/2022 in the section called “preliminary specifications”, (7), making it a full part of the contract.

As set out above, the Specific Guide sets out conditions fulfilling all requirements of the Council Implementing Decision Annex such as the requirements that the contracts are signed for 1) building housing for young people coming from vulnerable communities and groups; 2) building housing for health and education professionals in urban and rural areas. Consequently, the binding reference to the Specific Guide in each contract establishes the obligation for the final recipient to comply with these conditions and the verification of the signature ensures that the contract is binding.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 320</b>	<b>Related Measure: Moderate rehabilitation of public buildings to improve public service delivery by administrative territorial units</b>	
<b>Name of the Milestone:</b> Signature of contracts for the moderate renovation of public buildings		
<b>Qualitative Indicator:</b> Signature of contracts		<b>Time:</b> Q4 2022
<b>Context:</b>		
Milestone #320 is part of the investment C10.I3, which aims to improve delivery of local public services, by carrying out moderate renovations of public buildings which are intended for the provision of public services to citizens at the local level.		
Milestone #320 is the first step in the implementation of the investment and will be followed by target #322 requiring the renovation of 1 015 481 squared metres of surface in eligible public buildings.		
The investment has a final expected date for implementation on 30 June 2026.		

**Evidence Provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii. Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approving the Specific Guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund.
- iii. Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022 amending and supplementing the Specific Guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, component 10 – Local Fund, approved by Order of the Minister for Development, public works and administration No. 999/2022.
- iv. Initial list of 2071 signed contracts containing contract number, registration date, project duration, reference of the funding request, relevant county and type of administrative unit, project title and financial value of the project
- v. Updated list of 2060 signed contracts containing project title, contract number, signature date, relevant county and type of administrative unit, reference of the funding request and project indicators (squared metres to be renovated)
- vi. 60 signed contracts for the first sample
- vii. 228 signed contracts for the second sample

**Analysis:**

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

**The scheme shall set out the criteria and conditions to be met for the moderate renovation of public buildings...**

Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approves the Specific Guide on Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund (hereinafter “the Specific Guide”). The Specific Guide is provided as an annex to Ministerial Order No. 999/2022. Article 1 of the Ministerial Order provides that the annex forms an integral part of the Order.

Section 1 of the Specific Guide provides a description of the four investments under the Local Fund component, including 13 regarding moderate rehabilitation of public buildings. The eligibility criteria for each investment are detailed in Annex 1.

Section 2 of the Specific Guide provides for two common calls for proposals for each of the investments and sets out the eligible applicants for funding as well as the application period and the amounts allocated to each investment. Section 3 of the Specific Guide provides the general eligibility conditions.

Article 1(2) of Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022, which amends and supplements the Specific Guide, modifies the period of application of the second call for proposals.

The first call for proposals ran from 16 May 2022 till 30 June 2022, as provided for in Article 1(2) of

Ministerial Order No. 999/2022 and the second call for proposals ran from 14 October 2022 till 27 October 2022, as provided for in Article 1(2) of Ministerial Order No. 999/2022, as amended by Ministerial Order No. 2615/2022.

Ministerial Order No. 2615/2022 does not modify any of the elements of the Specific Guide referenced below.

**which, shall include inter alia the following conditions:**

**- Only towns and communes are eligible**

Annex 1, section I, of the Specific Guide lists for each category of administrative territorial units the investments for which they are eligible. Only towns and communes are eligible for I3 (page 34).

**- Only public buildings, the purpose of which is to deliver local public services (e.g. town hall buildings, social services buildings) are eligible**

Annex 1, Section II, I.3 of the Specific Guide provides that “The investment involves moderate energy renovation of public buildings at local level. It concerns only public buildings in towns and communes the purpose of which is to provide public services to citizens (for example town hall buildings, social services buildings)” (page 43).

**Moderate retrofitting projects shall lead to a 30% reduction in primary energy demand, to be demonstrated by energy performance certificates.**

Annex 1, Section II, I.3 of the Specific Guide also provides that “the implementation of moderate energy renovation projects will lead to a 30 % reduction in primary energy consumption compared to current consumption, as attested by the energy audit report and energy performance certificates drawn up before and after the works to increase energy performance have been carried out” (page 47).

**In investments for the moderate renovation of public buildings, the non-energy efficiency system costs shall not exceed 10% of the total cost.**

Annex 1, Section II, I.3 of the Specific Guide equally specifies that “works not related to energy efficiency improvement systems will not exceed the threshold of 10 % of the total cost” (page 47).

**Signature of contracts for the moderate renovation of public buildings.**

Romania submitted an initial list of 2071 contracts that have been signed and updated the list to 2060 contracts in view of cancellation requests from applicants due to increases in prices for construction materials.

Following the selection of a random sample of 60 contracts, Romania submitted 60 copies of financing contracts. The evidence provided for the sample of 60 contracts showed that for one item the contract signature was missing. Therefore, the Commission did not have reasonable assurance that the milestone was satisfactorily fulfilled and requested a second sample of 228 contracts on which it performed the same verifications.

The evidence provided for the sample of 228 contracts confirmed that each contract in the sample

covers the requirements set out in the Council Implementing Decision. In particular, each sampled contract was duly signed and included in the section called “preliminary specifications” a legally binding reference to the provisions of Ministerial Order No. 999/2022, making it a full part of the contract.

As set out above, the Specific Guide annexed to, and integral part of, Ministerial Order No. 999/2022 sets out conditions fulfilling all milestone requirements in the Council Implementing Decision Annex. Consequently, the binding reference to the Ministerial Order No. 999/2022 in each contract establishes the obligation for the final recipient to comply with these conditions and the verification of the signature ensures that the contract is binding.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 323</b>	<b>Related Measure: Development/updating in GIS format of spatial planning and urban planning documents</b>	
<b>Name of the Milestone:</b> Signature of contracts for the development/updating of spatial planning, urban planning and sustainable urban mobility plans documentation.		
<b>Qualitative Indicator:</b> Signature of contracts		<b>Time:</b> Q4 2022
<b>Context:</b>		
Milestone #323 is part of the investment C10.I4, which aims at increasing the digital access to spatial and urban planning documents.		
Milestone #323 is a first step concerning the investments development/updating in GIS format of spatial planning and urban planning documents. The final step of this investment is target #325 related to spatial planning, urban planning and sustainable urban mobility plans finalised and taken over in the Territorial Observatory platform.		
<b>Evidence Provided:</b>		
The following evidence was provided:		
<ul style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approving the Specific Guide - Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund.</li> <li>iii. Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022 amending and supplementing the Specific Guide – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, component 10 – Local Fund, approved by Order of the Minister for Development, public works and administration No. 999/2022.</li> <li>iv. List of signed contracts.</li> <li>v. 60 signed contracts sampled - N.8, 20, 29, 52, 56, 58, 66, 68, 70, 72, 88, 89, 99, 100, 103, 104, 116, 117, 123, 127, 135, 136, 137, 147, 161, 162, 205, 213, 220, 226, 230, 237, 240, 243, 270, 276, 279, 280, 287, 291, 297, 300, 306, 309, 315, 321, 324, 333, 339, 348, 356, 360, 361, 371, 381, 382, 404, 416, 417, 462.</li> </ul>		
<b>Analysis:</b>		
The justification and substantiating evidence provided by the Romanian authorities cover all		

constitutive elements of the milestone.

**The scheme shall set out the criteria and conditions to be met for funding for the development/updating of spatial planning, urban planning and sustainable urban mobility plans.**

Ministerial Order No. 999/2022 published in the Official Journal No. 467 on 10 May 2022 approves the Specific Guide on – Conditions for accessing European funds related to the National Recovery and Resilience Plan in the framework of the PNRR/2022/C10 calls for projects, strand 10 – Local Fund (*hereinafter “the Specific Guide”*). The Specific Guide is provided as an annex to Ministerial Order No. 999/2022. Article 1 of the Ministerial Order provides that the annex forms an integral part of the order.

Section 2 of the Specific Guide, starting page 10, provides for two calls for proposals and sets out the eligible applicants for funding as well as the application period and the amounts allocated to each investment, including for Investment 14 for the development/updating of spatial planning, urban planning and sustainable urban mobility plans. Section 3 of the Specific Guide, starting page 16, provides the general eligibility conditions. Section 5, starting page 24, on project verification, contracting and implementation provides that “all purchases related to investments in Component 10 NRRP must be made using a competitive, transparent and non-discriminatory procedure”.

Article 1(2) of Ministerial Order No. 2615/2022 published in the Official Journal No. 976 on 7 October 2022, which amends and supplements the Specific Guide, modifies the period of application of the second call for proposals.

The first call for proposals ran from 16 May 2022 till 30 June 2022, as provided for in Article 1(2) of Ministerial Order No. 999/2022 and the second call for proposals ran from 14 October 2022 till 27 October 2022, as provided for in Article 1(2) of Ministerial Order No. 999/2022 amended by Ministerial Order No. 2615/2022.

Ministerial Order No. 2615/2022 does not modify any of the elements of the Specific Guide referenced below.

**The drafting/updating of documentation shall be developed in digital format in accordance with the provisions of milestone 288 and milestone 315.**

Annex 1, Section II, I.4 of the Specific Guide provides that “documentation will be drafted in a digital, georeferenced format in accordance with the provisions of milestone 288 (entry into force of legislation in the field of sustainable urban mobility, fourth quarter of 2022) and milestone 315 (code of Code of Spatial Planning, Urbanism and Construction, to be approved by Q2023)” (page 50).

**The SUMP shall be endorsed by the National Group on the optimisation of SUMP established in accordance with the provisions set in milestone 289 and the spatial and urban planning documentation shall be uploaded to the Territorial Observatory.**

Annex 1, Section II, I.4 of the Specific Guide also provides that “SUMP will be validated by the National SUMP Optimisation Group established in accordance with the provisions set out in milestone 289. The National SUMP Optimisation Group is the technical support structure provided by specialists in drafting Sustainable Urban Mobility Plans (SUMPs) and updating of those already operational” (page 48) and that “the spatial and urban planning documentation shall be uploaded to

the Territorial Observatory” (page 49).

**Integration with the digital platform outlined in Milestone 316 shall be ensured.**

Annex 1, Section II, I.4 equally specifies that “all spatial planning and urban planning documents will also be drawn up after completion, transposed digitally in accordance with the Code of Spatial Planning, Urban Planning and Construction, and shall be approved by the National Commission for Territorial Development organised in accordance with Law No 350/2001 on spatial and urban planning, as amended” (page 49). In section I.4 B of the Specific Guide it is indicated that “once approved, all documentation will be submitted to MDLPA for publication in the interoperable urban digital data platform (component of the Territorial Observatory), relating to milestone 316” (page 50).

**Signature of contracts for the development/updating of spatial planning, urban planning and sustainable urban mobility plans documentation.**

Romania submitted a list of these 465 contracts that have been signed, setting out the contract number, duration of the project, project title, relevant county and financial value.

Following the selection of a random sample of 60 contracts, Romania submitted 60 copies of financing contracts. The evidence provided for the sample of 60 contracts confirmed that each contract in the sample covers the requirements set out in the Council Implementing Decision.

In particular, each sampled contract was duly signed and included a legally binding reference to the provisions of Ministerial Order No. 999/2022 approving the Specific Guide in the section called “preliminary specifications”, (7), making it a full part of the contract.

As set out above, the Specific Guide sets out conditions fulfilling all requirements of the Council Implementing Decision Annex regarding Investment I4 for the development/updating of spatial planning, urban planning and sustainable urban mobility plans. Consequently, the binding reference to the Specific Guide in each contract establishes the obligation for the final recipient to comply with these conditions and the verification of the signature ensures that the contract is binding.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 328</b>	<b>Related Measure: Operationalisation of Destination Management Organisations (DMOs)</b>	
<b>Name of the Milestone:</b> Entry into force of the legislative framework through a Government Emergency Ordinance which shall include a clear description of the financing mechanism to support the development of the network of DMOs and a clear governance model		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law for establishment of DMOs		<b>Time:</b> Q3 2022
<b>Context:</b>  Milestone #328 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.		

Milestone #328 requires the entry into force of the legal framework for the establishment of DMOs, providing a clear description of the financing mechanism to support the development of the network of DMOs and a clear description of the financing mechanism to support their development.

Milestone #328 is the third step in the implementation of reform C11.R1. It follows milestones #326 on the mapping of optimum destinations and #327 on the adoption of an action plan for the use of cultural heritage, both assessed positively in the context of Romania's second payment request, and will be followed by targets #329 on the establishment of DMOs and #330 aiming at an increase by 5% of foreign tourists in the counties part of DMOs by end-2025.

**Evidence provided:**

The following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Law No. 64/2023 for the approval of Government Emergency Ordinance No. 86/23.06.2022 (hereinafter referred to as the 'Government Emergency Ordinance') amending and supplementing Government Ordinance No. 58/1998 regarding the organisation and development of the tourism activity in Romania (hereinafter referred to as the 'Government Ordinance'), published in the Official Journal No. 225 on 20 March 2023.
- iii. Order of the Minister for Entrepreneurship and Tourism on the establishment of the technical working group on the drafting of the regulatory framework on establishment of MDGs in Romania as well as to achieve the objective of the NRRP on mapping the best destinations to form those regional MDGs which can be financed by the NRRP.
- iv. Order amending and supplementing the procedure for the approval of management organisations of destination, approved by Order No. 1.293/2022 of the Minister for Entrepreneurship and Tourism published in the Official Journal No. 283/2023 on 5 April 2023.

**Analysis:**

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

**Entry into force of the legislative framework through a Government Emergency Ordinance which shall include a clear description of the financing mechanism to support the development of the network of DMOs and a clear governance model**

Government Emergency Ordinance No. 86/2022 2022 amending and supplementing Government Ordinance No. 58/1998 regarding the organisation and development of the tourism activity in Romania (hereinafter referred to as the 'Government Emergency Ordinance') was adopted on 23 June 2022 and published in the Official Journal No. 619 on 24 June 2022. Law No. 64/2023 for the approval of Government Emergency Ordinance was adopted on 17 March 2023 and published in the Official Journal No. 225 on 20 March 2023. It 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.

Articles 10<sup>4</sup> and 10<sup>5</sup> of the Government Emergency Ordinance include a clear description of the financing mechanism (see below for more details on the financing mechanism), whereas Article 10<sup>3</sup> (2) and (3) of the Government Emergency Ordinance, establish a clear governance model (see



below for more details on the form of organization).

**The legislation shall include a clear description of the financing mechanism to support the development of the network of regional and local DMOs (Destination Management Organisations) and a solid governance model. Key elements of the legal framework shall be:**

- **Aim of the legislation, definition of DMOs on different territorial levels as well as the themed DMOs. Furthermore, in line with the description of the measure, the Destination Management Organisation shall be a legal entity carrying out the tourist development policy of each specific destination, including the destination marketing policy, in accordance with the legal provisions in force (...). Regional Destination Management Organisations shall be designed to form an effective network focusing on local competitive advantages and shall work in partnership with the national tourist authority.**

The preamble of the Government Ordinance, as amended by the Government Emergency Ordinance, states that its **aim** is to create a favourable framework for harnessing the current opportunities for economic development and to immediately stimulate tourism, which has been severely affected by the pandemic and economic recovery. This general aim is reflected in Article 1 of the Government Ordinance, as amended by the Government Emergency Ordinance, which states that tourism is a strategic area of the national economy, and that the organisation, coordination and development of tourism shall be carried out in accordance with the provisions of this Ordinance. One of the key elements of the Government Ordinance is that it provides a clear description of financing mechanism which would create a favourable framework for harnessing the current opportunities for economic development and to immediately stimulate tourism. This is reflected in Articles 10/4 and 10/5 Government Ordinance. The financing mechanism also supports development of the network of regional and local DMOs as listed in Article 10<sup>4</sup> (1)(2)(3) of the Government Ordinance, as amended by the Government Emergency Ordinance, and explained below. Article 2<sup>3</sup> (7) and (8) of the Government Ordinance, as amended by the Government Emergency Ordinance, contains the **definition of DMOs** on different territorial levels as well as the themed DMOs. DMOs are structured as legal entities on a local, county, regional and national level. Multiple local, county, or regional destination management organisations can be associated with each other to develop and promote a network of thematic destinations, meaning that DMOs can further associate themselves on thematic tourism products, for example: culinary, nature, adventure. Furthermore Article 2<sup>3</sup> (8) lays out the cooperation between the regional DMOs and national tourist authority, which the regional DMOs are part of. As per Article 10<sup>2</sup> (2)(k) the regional DMOs can enter into partnerships with other geographically close DMOs in order to

- Article 2<sup>2</sup> (1) of the Government Ordinance, as amended by the Government Emergency Ordinance, states that DMOs have a **legal personality** with the status of public utility organization and are registered as associations. This also stems from the definition of the DMO in Article 2 (r) of the Government Ordinance, as amended by the Government Emergency Ordinance, which states that DMO is a legal entity, which develops and implements the tourism development and **marketing strategy** of the touristic destination, in accordance with the legal provisions in force. **Identification of members. Furthermore, in line with the description of the measure, the Destination Management Organisation shall be a legal entity (...) bringing together a number of other organisations, such as: business operators, public sector institutions, professional and employers' associations and regulatory bodies.**

Article 2<sup>3</sup> (1), (3), (5), (7) of the Government Ordinance, as amended by the Government Emergency Ordinance, provides that the members of the destination management organizations

include entities paying special taxes for tourism promotion, confederations of employers' federations active in tourism, local employers' organizations, other employers within the tourist destination, associative structures established according to government orders, and various public and private organizations relevant to tourism at both regional and national levels. At national level, the National Destination Management Organization for Tourism is established to coordinate and represent relevant public and private entities in developing and implementing Romania's tourism development and marketing strategy (Article 2/3 (8) of the Government Ordinance, as amended by the Government Emergency Ordinance).

Article 2<sup>3</sup> (8) establishes the National Destination Management Organization (DMO) at the national level. This organization includes members from the central public administration authority responsible for tourism, regional destination management organizations, other public entities, and relevant private organizations in the tourism sector. These entities must be legally established and registered, have national-level representation, and not be part of any other destination management organization at any level. The National DMO is responsible for creating and implementing the tourism development and marketing strategy for Romania as a destination..

- **Minimum criteria for a destination to be eligible to form a DMO to represent the destination.**
  - Article 2<sup>3</sup> (2), (4), (6) of the Government Ordinance, as amended by the Government Emergency Ordinance, sets out the minimum criteria for setting up the local, county and regional DMO. These minimum criteria are: certification as a tourist resort of local or national interest or having at least 100 accommodations for local, 1.000 accommodations for regional, and 10.000 accommodations for county DMO;
  - having at least one tourist destination manager position;
  - developing a tourism development and marketing strategy with an action plan within one year;
  - Demonstrating a minimum budget of EUR 30,000 for local, EUR 100,000 for county, and EUR 250,000 for regional DMO.
  
- **Form of organization: the DMO shall have a general assembly, a board of directors and the staff who shall represent the executive part.**

Article 10<sup>3</sup> (2) and (3) of the Government Ordinance, as amended by the Government Emergency Ordinance, provides that the General Assembly and the Board of Directors are the governing bodies of DMOs, regardless of the level of the DMO (local, county or regional DMO).

Article 2<sup>3</sup> (2)(b) of the Government Ordinance, as amended by the Government Emergency Ordinance, requires DMOs to have at least one person employed, namely the tourist destination manager.

- **DMOs shall be registered with statutory provisions, to have a strategy and action plan, to have the funds to implement the strategy. Furthermore, in line with the description of the measure, the action plan shall be carried out in line with the set of measures proposed in the Destination Management Organisation Development Strategy and shall be in line with the results of the mapping activity.**

As explained above, in line with Articles 2<sup>2</sup> (1) and 2 (r) of the Government Ordinance, as amended by the Government Emergency Ordinance, DMOs have a **legal personality** with the status of public utility organization and are registered as associations.

Article 10<sup>1</sup> (1) states that DMOs can apply for registration in the Register of Associations and Foundations only after obtaining the assent issued by the central public authority responsible for tourism. DMOs can apply for registration in the Register of Associations and Foundations only after obtaining the assent issued by the central public authority responsible for tourism.

Article 2<sup>3</sup> (2) (c) of the Government Ordinance, as amended by the Government Emergency Ordinance, requires DMOs to adopt a draft strategy for tourism development and marketing, along with an action plan. These documents are subject to approval by the management bodies within one year of the organization's acceptance by the central public authority responsible for tourism.

The requirement that the action plan shall be carried out in line with the set of measures proposed in the DMO Development Strategy and shall be in line with the results of the mapping activity is confirmed by the two documents submitted by the Romanian authorities:

- Order No 696/30.03.2022 for the acceptance of the Explanative Report on the mapping of all optimal destinations and the list of optimal destinations (available at link: <https://turism.gov.ro/web/prima-pagina/omd/>) and
- Common Order MIPE/MAT/MC no. 698/31.03.2022 on the application of the Action Plan for the capitalisation of the cultural resource in order to increase the competitiveness of the tourism sector in Romania.

- **In terms of members: the DMO shall be a representative body of the economic operators in the tourism field in the destination, of the tourism associations, and other relevant stakeholders and local or county level public authorities.**

Article 2<sup>3</sup> (1), (3), (5), (7) and (8) of the Government Ordinance, as amended by the Government Emergency Ordinance, provides that the members of the destination management organizations include entities paying special taxes for tourism promotion, confederations of employers' federations active in tourism, local employers' organizations, other employers within the tourist destination, associative structures established according to government orders, and various public and private organizations relevant to tourism at both regional and national levels.

- **Description of the attributions of the board of directors and general assembly**

Article 10<sup>3</sup>(2) of the Government Ordinance, as amended by the Government Emergency Ordinance, provides that the General Assembly, composed of all members, oversees various key functions including the development and approval of tourism development strategies, validating new members and deciding on board member elections. Additionally, it handles budget approval, statute modifications, and other legal provisions.

Article 10<sup>3</sup>(3) of the Government Ordinance, as amended by the Government Emergency Ordinance, provides that the Board of Directors, comprising at least 5 members, coordinates strategy implementation, reports annual activities to the General Assembly, and manages organizational policies and budgets. It also has the authority to make legal decisions, accept donations, and propose membership fees, among other responsibilities outlined in the statute or decided by the General Assembly.

- **Voting system and decision-making process**

Article 2<sup>4</sup> of the Government Ordinance, as amended by the Government Emergency Ordinance, provides that in local DMOs decisions are made within the General Assembly based on proportional

voting according to the amount of special taxes or membership fees paid. For county and regional DMOs, each member is entitled to one vote in the General Assembly. However, in regional and national organizations, members contributing more than half of the annual budget have veto power over decisions put to a vote.

- **Financing mechanism**

Article 10<sup>5</sup> of the Government Ordinance, as amended by the Government Emergency Ordinance, states that the funding sources of DMOs are amounts transferred by local public administration authorities from tourist taxes, membership fees, contributions from members, and external financing. As per Article 20 (i) of the Government Ordinance, the local public administrations collect the tourist tax and are obliged to transfer at least 70% of it to the local DMOs.

Article 10<sup>4</sup> (1)(2)(3) of the Government Ordinance, as amended by the Government Emergency Ordinance, states that local DMOs are then required to transfer 20% of the amounts collected from tourist to the county-level DMOs which in turn are required to transfer 20% of the funds they receive from local DMOs to the regional-level DMOs they are part of. This inter-level transfer ensures that resources are distributed effectively across various levels of DMOs.

- **Objectives of DMOs and monitoring of results with specific accountabilities.**

Article 10<sup>2</sup> of the Government Ordinance, as amended by the Government Emergency Ordinance, provides that the aim of DMOs is to increase the awareness and attractiveness of tourist destinations, enhance tourist stays, and boost visitor numbers, through activities such as developing and implementing tourism strategies, coordinating destination branding efforts, collaborating with other DMOs, analysing statistical data, conducting market research, fostering human resource development, partnering with national and international bodies, and accessing funding for tourism programs.

Article 10<sup>2</sup> of the Government Ordinance, as amended by the Government Emergency Ordinance, requires the establishment of performance indicators detailed in tourism development and marketing strategies, to monitor the achievement of objectives set by DMOs. Article 10<sup>1</sup> (2) states that the relevant DMO loses its status of a public body if the representatives of the central public authority responsible for tourism find that the conditions underlying the issuance of the opinion for the purpose of setting up the destination management organization are no longer met.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 332</b>	<b>Related Measure: Promotion of the 12 touristic/cultural routes</b>
<b>Name of the Milestone:</b> Signature of the contracts for the promotion of the 12 routes	
<b>Qualitative Indicator:</b> Signature of contracts	<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>Milestone #332 is part of the investment C11.I1 is to develop the following 12 thematic tourist routes in disadvantaged, rural areas of Romania: Castles route, Curia route, 'Cula' route, the route of the traditional Romanian gastronomy, the route of fortified churches, the route of wooden churches, the route of the Moldova monasteries, Saint Ladislau's route, the route of the Roman castrum, the fortress route, the restoration of the cultural landscape in the Danube Delta route, the route of villages with traditional architecture.</p> <p>Milestone #332 requires the signature of the contracts for the promotion of the 12 routes.</p> <p>Milestone #332 follows target #331, assessed in the context of Romania's second payment request, concerning the selection of 225 sites which are touristic attraction points (such as castles and monasteries) to be included in the 12 touristic routes. 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>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Service Contract No. 26760/22.02.2023 signed between the Ministry of Investments and European Projects and the association of companies formed by Terra Building and Eventya C.O;</li> <li>iii. Public tender announcement No. CN1046161/18.08.2022 (published in the electronic public procurement system) and No. 453866-2022-RO (published in JOUE TED Europa);</li> <li>iv. Terms of references regarding the procurement of promotion services for the 12 touristic/cultural routes;</li> <li>v. Needs reference No. 91320/12.08.2022 which includes Estimation analysis (Annex) conducted by the Ministry of Investments and European Projects and issued on 12 August 2022;</li> <li>vi. Technical proposal submitted by the winner company;</li> <li>vii. Methodology for selection the touristic sites;</li> <li>viii. Common Ministerial Order for approval the touristic sites to be included in the 12 touristic and cultural routes (no. 1540/2022);</li> <li>ix. Action Plan for the evaluation of the cultural heritage in order to increase the competitiveness of the tourism sector in Romania;</li> <li>x. Presentation of Attractive Romania app and testing report for the app and site;</li> <li>xi. Final procurement report issued by the Ministry of Investments and European Projects on 19 December 2022;</li> <li>xii. Testing report of the Attractive Romania platform/application issued by the Ministry of Investments and European Projects and issued on 18 October 2023.</li> <li>xiii. Link to the event of the public launch of the Attractive Romania platform: <a href="#">România Atractivă // Eveniment de lansare // 15 mai 2024 (youtube.com)</a></li> </ol>	

**Analysis:**

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

- **Signature of contracts for the tourism development in every cultural route.**

On 22 February 2023, a single service contract was signed between the Ministry of Investments and European Projects and the association of companies formed by Terra Building and Eventya C.O. for the promotion of the 12 cultural routes (Service Contract No. 26760/22.02.2023, hereinafter referred to as the 'Service Contract'). The service contract sets out the following four activities:

- Digitization of the sites included in the route
- Creating an app dedicated to visitors
- Marking and signalling the route/sites included in the route
- Creating a joint cultural offer

All four activities ensure tourism development in each of the 12 routes. To prevent awarding multiple similar contracts, the tender procedure followed national regulations (Law 98/2016) with the goal of creating an integrated cultural offer for all routes. By combining these activities in a single contract, consistency and effective tourism development are ensured across all 12 routes. Considering the above, all provisions necessary for the tourism development in every cultural route have been included in the Service Contract.

**The following activities shall be included:**

- **Digitization of the sites included in the route**

Pages 17-21 of the Terms of Reference and Article 4 of the Service Contract prescribe the creation of high-quality digital content for each site, including:

- a minimum of 10 high-quality digital photos capturing various elements;
- video material of a duration of 30-90 seconds, with voiceover and background music;
- virtual tours for five specific routes, allowing virtual access to important areas or details;
- 3D films depicting historical reconstructions lasting 1-2 minutes;
- audio guides providing general and detailed information about each object/exhibit within the site.

Point 3.3.3. of the Terms of Reference specifies that all sites must have promotion videos according to their technical specifications, ensuring comprehensive digital coverage.

- **Creating an app dedicated to visitors**

Terms of Reference (pages 9-17) and Articles 4 and 8 of the Service Contract set out the comprehensive functionalities and specifications for the development and operation of the "Attractive Romania" platform/application. The platform/application will include:

- a content management web application and mobile applications for Android, iOS, and other smartphone systems, covering all necessary functionalities for digital promotion;
- content management system solutions;
- map services for locating tourist/cultural routes;
- management of photo and video materials easily uploaded and viewed, with photos stored in multiple resolutions and formats;

- a virtual reality or virtual tour module for 3D experiences;
- architecture allowing for further developments and extensions on both mobile and web applications, with collaborative input and updates from various users;
- compatibility with the latest versions of Android, iOS, and other operating systems, allowing free download via dedicated app stores and login options via social networks or account creation;
- data saving for offline mode and content sharing via social media;
- a web version for search engine indexing and additional promotional options.

The Service contract provides for the maintenance of the application until 30 June 2031, with the website accessible at [www.romania-atractiva.ro](http://www.romania-atractiva.ro) and the app available on AppStore and Google Play after the official release date.

Romanian authorities confirmed in the Testing Report that testing has been conducted, and the app/site are currently being populated with promotional materials. , with a public release taking place on 15 May 2024 (see link: [România Atractivă // Eveniment de lansare // 15 mai 2024 \(youtube.com\)](#)). According to point 3.3.2 of the Terms of reference, the application/website will be provided free of charge to users.

- **Marking and signalling the route/sites included in the route**

Pages 21-22 of the Terms of Reference and Article 4 of the Service Contract require that for each tourist site, the following activities will have to be carried out:

- marking and signalling along access roads, starting from a minimum distance of 3 km. Signs must be placed every 1 km up to a radius of 1 km, and every 250 m within a radius ranging from 1 km to 250 m. For motorways, signalling will begin at least 3 km before the road junction leading to the site;
- signalling and marking at various key locations such as airports, car parks, railway stations, ports, accommodation facilities, restaurants, and service stations within a radius of 10 km.
- signalling on walking paths within a radius of 5 km and at access points to the site;
- all marking and signalling will have to include a QR code directing visitors to the "Attractive Romania" web platform for additional information.

- **Creating a joint cultural offer**

Pages 22-25 of the Terms of Reference and Article 4 of the Service Contract require the contractor to ensure the creation of a joint cultural offer through the Attractive Romania platform, which covers all 12 cultural routes at national level, allowing users to customize their own cultural itineraries. The platform will allow tourists to create their personalized itineraries and add reviews. It provides comprehensive information including text, photos, videos, virtual tours, mapping, and events sections. The platform's features extend beyond visual identity, offering tools for do-it-yourself cultural exploration, social media engagement, and online advertising. Although the platform is designed for tourists, touristic agencies can use the platform to create and promote attractive tour packages. The platform's website allows users to select cultural sights based on region and desired specificities, suggesting routes and collaborating with travel agencies to organize guided tours.

Furthermore, in line with the description of the measure, **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.**

The Annex to the Terms of Reference lists the following 12 touristic routes as falling within the contract itself: (i) Castles route, (ii) Curia route, (iii) 'Cula' route, (iv) the route of the traditional Romanian gastronomy, (v) the route of fortified churches, (vi) the route of wooden churches, (vii) the route of the Moldova monasteries, (viii) Saint Ladislau's route, (ix) the route of the Roman castrum, (x) the fortress route, (xi) the restoration of the cultural landscape in the Danube Delta route, and (xii) the route of villages with traditional architecture.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 340</b>	<b>Related Measure: Framework for the operationalisation of cycling routes at national level</b>
<b>Name of the Milestone:</b> Comprehensive study on the territorial distribution of national cycling routes	
<b>Qualitative Indicator:</b> Published study	<b>Time:</b> Q3 2022
<b>Context:</b> <p>Milestone #340 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 #340 requires the publication of an in-depth study identifying inter alia where the cycling routes will be constructed (that is, their territorial distribution). This milestone also requires the launch of the procurement process for putting in place the cycling routes, based on the results of the study.</p> <p>Milestone #340 is the last step of the implementation of this reform, and it follows the completion of milestones #338 related to the entry into force of the regulatory framework on cycling routes and milestone #339 related to the establishment of the National Coordination Centre Velo Routes. Milestone #340 also serves as a preparatory step leading to the subsequent milestone #342 which is part of investment C11.I4, which aims at developing sustainable transport by development of cycling routes infrastructure.</p>	
<b>Evidence provided:</b> <p>The following evidence was provided:</p> <ol style="list-style-type: none"><li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li><li>ii. Copy of the published study accepted through a reception report issued by the study provider on the territorial distribution of national cycling routes (<a href="https://centrulnationaldecoordonarevelo.ro/ro/articles/studii-analize-rapoarte">https://centrulnationaldecoordonarevelo.ro/ro/articles/studii-analize-rapoarte</a>), including Annex 1 (Maps on the identification and distribution of cyclotourist routes at national level) and Annex 2 (Atlas of cycle routes at county level).</li><li>iii. Reception report no. 109263 of 23 September 2022.</li><li>iv. Copy of the Financing Scheme, issued by the Ministry for Development, Public Works and Administration, launching the competitive call for projects for putting into place the cycling</li></ol>	



routes, based on the results of the comprehensive study on the territorial distribution of national cycling routes, leading to the signature of the financing contracts that is required by milestone #342.

The authorities also provided:

- v. Copy of a document certifying the launch of the procurement process for putting into place the cycling routes, based on the results of the comprehensive study on the territorial distribution of national cycling routes, as per the milestone description.
- vi. Invitation to tender No. 86689/25.07.2022.
- vii. Specification on the purchase of expertise to complement the supporting studies for the Study on the identification, establishment and territorial distribution of cycling routes and cycle paths at national level.
- viii. Contract No. 154 with EDG Consult to deliver the study.
- ix. An order issued by the Ministry of Development, Public Works and Administration (No 93622/10.08.2022), addressed to EDG Consult S.R.L. to start with the collection and analysis of data for the Study.
- x. Methodology for mapping the cycling routes admitted for financing and exact maps of the routes.

#### **Analysis:**

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

#### **Published study**

The results of the study which establishes the territorial distribution of the cycle tourism pathways (2 404 km of cycling routes, were confirmed with the Reception report no. 109263 of 23 September 2022. The study is published on the official site of the Ministry of Development, Public Works and Administration (<https://mdlpa.ro/pages/pnrr> ) and official site of Velo National Coordination Centre (<https://centrulnationaldecoordonarevelo.ro/ro/articles/studii-analize-rapoarte>). The study was conducted by EDG Consult, based on the order issued by the Ministry of Development, Public Works and Administration and on public service contract no. 154/09.08.2022 concluded between the Ministry and EDG Consult.

**Comprehensive study on the territorial distribution of national cycling routes. The in-depth study shall establish the territorial distribution of the cycle tourism pathways (2 404 km of cycling routes).**

The evidence provided by the Romanian authorities indicates that the study of 23 September 2022 issued by Ministry of Development, Public Works and Administration successfully outlines the territorial distribution of 2 404 km of cycle tourism pathways. Chapter 3, page 43, of the study, as well as Annex 1 and Annex 2 include a nation-wide map depicting the territorial distribution of the cycling routes. Maps of the cycling routes along the 12 cultural routes and along the renovated museum can be found on pages 44-47 of the study and further specified in the "Methodology for mapping the cycling routes admitted for financing and exact maps of the routes".

The study is comprehensive and in depth as it analyses in detail, on 63 pages, what is the most suitable territorial distribution of cycle pathways.

**based on key criteria (e.g. reduction of congestion, promotion of eco-tourism)**

The territorial distribution of the cycling routes was based on the key criteria (page 59 of the study),

such as safety, continuity, routing, comfort, attractiveness, access to services, connectivity with public transport, and the identification methodology described on the pages 20-48 of the study, which involved consulting with all relevant actors and taking data from European and national studies on the distribution of the cyclo-tourist network at national level. Following the data analysis, the relevant criteria was taken into account to identify the most relevant cycle tourism pathways. The study contains a strengths, weaknesses, opportunities, and threats (SWOT) analysis (pages 48-53) and scenarios for its development in the short, medium and long term (pages 53-56). Promotion of eco-tourism is also ensured via the requirement (listed on page 61 of the Study), which sets out that the cycling routes cannot be built on or next to the highly trafficked automotive infrastructure (express roads, national roads, county or local roads with heavy traffic).

**identify relevant actors and integrated existing initiatives to enhance the natural and cultural heritage, in accordance with the requirements under milestone 338.**

The study examined the territorial distribution of cycling routes proposed by various stakeholders. These included routes identified in other projects funded by the Danube Transnational Program – Interreg (pages 30-31), those put forth by County Councils (pages 31-32), and suggestions from civil society, NGOs, bicycle users, and the National Velo Coordination Centre (page 41). The study took into account the location of the cultural landmarks as developed under Investment C.11.I1 (“Promotion of the 12 cultural/tourist routes) and therefore aimed at developing cycling routes in areas that enhance the natural and cultural heritage, with an emphasis on user safety.

In accordance with requirements under M338, the study identifies relevant actors (namely National Velo Coordination Centre established with the 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), typologies and characteristics of cycling routes (pages 53-59 of the study incorporate the typologies and characteristics of cycling routes) and existing initiatives to enhance the natural and cultural heritage (pages 6-10 of the study). The results of the study are based on the legislative framework adopted for the purpose of M338, considering that:

- The study identifies National Velo Coordination Centre as a relevant actor for preparation of the study in line with Article 4 paragraph (8) of the 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 which establishes Velo National Coordination Centre and tasks it with preparation of the study;
- Article 12 paragraph (9) of the Government Decision No. 441 of 31 March 2022 which provides that the cycling touristic routes, which are being approved or developed, are duly highlighted in the urban planning and spatial planning documents, and paragraph (10) which provides that to stimulate the development of cycling routes in urban areas, they will be included in the sustainable urban mobility plans.
- The study builds on the studies carried out at European and national level on the distribution of the cycle path network at national level. As an example, initiative of the European Cyclists’ Federation (ECF) in cooperation with national and regional partners, identified two EuroVelo routes, EuroVelo 13 and EuroVelo 6 in Romania. This existing initiative was integrated in the study.

**Based on the study results, shall be launched the procurement process for putting into place the cycling pathways.**

The Council Implementing Decision states that based on the study results, the procurement process

for putting into place the cycling pathways shall be launched. The Council Implementing Decision also states, in the description of milestone 342, that the signature of financing contracts for the construction of 2 404km of new cycling routes shall follow an open and competitive tender process. On 29 November 2022, the Ministry for Development, Public Works and Administration published a Financing scheme launching the competitive call for projects for putting into place the cycling routes. The scheme establishes the eligibility criteria and conditions for awarding the projects to the local authorities (page 59 of the Scheme), and it is based on the results of the comprehensive study on the territorial distribution of national cycling routes (point 1.2. of the Scheme). In light of the contextual interpretation of this requirement from the Council Implementing Decision, it is interpreted that the launch of the procurement process for the purpose of fulfilling milestone 340 constitutes a preparatory step for the fulfilment of subsequent milestone 342, which requires the signature of financing contracts for the construction of 2 404km of new cycling routes. Consequently, the selection conducted by the Ministry to select local authorities with which the financing contracts have been concluded constitutes the launch of the procurement process, as required by milestone 340. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 341</b>	<b>Related Measure: Establishment and operationalisation of the Velo National Coordination Centre</b>	
<b>Name of the Milestone:</b> Integrated National eVelo Platform and smartphone application		
<b>Qualitative Indicator:</b> Development and publication of the platform and application		<b>Time:</b> Q3 2022
<b>Context:</b>		
<p>Milestone #341 is part of investment C11.I3 which aims at contributing to sustainable mobility by promoting cycling via a new Velo National Coordination Centre.</p> <p>Milestone #341 requires development and publication of the eVelo National Platform (a website for the national cycling routes), and a thematic smartphone application.</p> <p>Milestone #341 is the only milestone within this investment. It builds upon the findings of the in-depth study, conducted under milestone #340, to identify the locations for constructing cycling routes and determine their territorial distribution. Milestone #341 is followed by investment C11.I4 (Implementation of 2 404km of cycling routes), as the website and the smartphone application will include the cycling routes constructed under investment C11.I4.</p>		
<b>Evidence provided:</b>		
<p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled</li> <li>ii. Dedicated website for the eVelo National Platform: <a href="http://centrulnationaldecoordonarevelo.ro">Velo România (centrulnationaldecoordonarevelo.ro)</a></li> <li>iii. Acceptance report No 153.2/26.09.2022 signed by the contractor (EVENTYA CO S.R.L.) and Velo National Coordination Centre (CNCV) certifying that the platform and application have</li> </ol>		

- been completed and are operational, and a link to the platform.
- iv. Document issued by the Ministry of development and public administration indicating the website and application features.
  - v. Document issued by the Ministry of development and public administration indicating the number of users and other statistical data

**Analysis:**

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

- **Development and publication of an integrated digital application for the provision of thematic information related to cycling tourism. The integrated application includes the establishment of the eVelo National Platform (a website for the national cycling routes), and a thematic smartphone application, in accordance with the requirements under milestone 340. The milestone is further specified in the Operational Arrangements, which require that the digital applications shall take into account the results of the published study under milestone 340.**

On 30 September 2022, EVENTYA CO S.R.L. (the contractor) and the Velo National Coordination Centre (the competent authority) signed Acceptance Report No. 111524, confirming the completion and operational status of the eVelo National Platform and thematic smartphone application. As of 28 September 2022, the platform has a dedicated website and can be accessed at the following link: <https://centrulnationaldecoordonarevelo.ro/>.

The website of the online platform was accessed and checked by Commission services on 16 July 2024.

The smartphone application, named "Velo Romania," is available at the following links:

- For smartphones compatible with the Android system:  
<https://play.google.com/store/apps/details?id=net.eventya.android.velo>
- For smartphones compatible with the iOS system:  
<https://apps.apple.com/us/app/velo-romania/id1645269196>

The application was accessed and checked by Commission services on 16 July 2024.

The eVelo National Platform and smartphone application incorporate findings from a study establishing the territorial distribution of cycle tourism pathways totalling 2,404 km. Milestone #340, which references milestone #338, was found compliant with the requirements of milestone #338. Therefore, it can be concluded that both the eVelo National Platform and the smartphone application meet the CID requirement specified under milestone #340.

The eVelo National Platform currently contains various functionalities essential for operational and user-friendly experience, as demonstrated by the Reception Report No. 111524:

- Cycling routes and bike paths are visualised on an interactive map using Google Maps/OpenStreetMap.
- Basic functions include choosing cycling routes, displaying current position and other locations on the map, locating public transport hubs, major tourist attractions, and navigation to them. Users can access general information, make direct calls and send SMS messages, and access webpages.
- Information about specific areas is displayed when the cursor is moved over them.
- Information about infrastructure type, route theme, and major tourist attractions is displayed when the cursor is moved over these segments.
- It displays cycling routes and tourist objectives in GIS format, available in Romanian and

English.

- Users can view distances between their current GPS location and selected cycling routes.
- The app works both online and offline on mobile devices.
- Original design optimised for mobile applications, including a customised layout with animated banner, standard photo gallery, and video insertion.
- Enhanced functionality, including a secondary menu with unique features, content management panel for easy updates, contact form for inquiries, visitor statistics tracking, security features, and links to social media platforms.

The national eVelo Platform and the smartphone application have provided each relevant actor identified under milestone #340 (ministries, local public authorities, NGOs, etc.) with an administrator account (as evidenced by the Document issued by the Ministry of development and public administration indicating the number of users and other statistical data). This allows them to introduce new cycling paths and routes in collaboration with the Velo National Coordination Centre.

**Furthermore, in line with the description of the measure, the implementation of this investment shall include (...) the development of a National eVelo Platform with an integrated digital application for all cycle tourism routes(...).**

The Council Implementing Decision states that the implementation of this Investment C11.I3 shall include the development of a National eVelo Platform with an integrated digital application for all cycle tourism routes. The Council Implementing Decision also mandates the development of 2 404km of new national cycling routes across Romania as part of investment C11.I4 (Implementation of 2 404km of cycling routes). In light of the contextual interpretation of the requirement that the digital application is intended for all cycle tourism routes, the 2 404km of cycling routes that are to be constructed as part of C11.I4, are to be considered as “all cycle tourism routes” under C11.I3.

Considering the results of the study (pages 20-22 of the study) published for the purpose of fulfilling milestone #340, all the 2.404 km of cycle routes (some of them yet to be constructed under Investment 4) are already uploaded and integrated on the platform/application (as evidenced by accessing the dedicated website (evidence ii)). Necessary adjustment to the exact location of the cycle routes will be done once its construction is finalized. On this basis, it is considered that this constitutive element of the milestone #341 is satisfactorily fulfilled.

The cycling routes are in .kml, .kmz and .gpx format so that it is easier for cyclists to download and use the data in real time. To navigate by bicycle along a route established on a map, it is necessary to download the route from the website in .gpx format and upload it to the mobile phone (in the Google Maps application, or another application specific to navigation) or in the GPS cycle computer of the bicycle. Applications such as Google Maps, or others for mobile, or those pre-installed in the bike's cyclocomputers have functions for tracking the route, measuring the distances travelled and the times taken, and estimating the distances and times remaining to the destination, and other functions specific to each application in part or the GPS device used.

**Commission Preliminary Assessment: Satisfactorily fulfilled**

<b>Number: 342</b>	<b>Related Measure: Implementation of 2 404km of cycling routes</b>
<b>Name of the Milestone:</b> Signature of the contracts for cycling routes	
<b>Qualitative Indicator:</b> Signature of contracts	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone #342 is part of investment C11.I4, which aims to develop sustainable transport by developing cycling routes infrastructure.</p> <p>Milestone #342 concerns the signature of financing contracts with local authorities in view of building the new cycling routes.</p> <p>Milestone #342 is the first step in the implementation of the investment and will be followed by target #343 related to the completion of 2 404 km of new cycling routes in Q2 2026.</p>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Ministerial Order No.3047/2022 published in the Official Journal No.1158 bis approving the Financing scheme – Conditions for accessing European funds related to the NRRP within the call for projects PNRR/2022/C11/I4;</li> <li>iii. Copy of 12 signed financing contracts.</li> <li>iv. Document proving the implementation stage of the 12 signed financing contracts</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.</p> <p><b>Signature of financing contracts for the construction of 2 404km of new cycling routes,</b></p> <p>The Romanian authorities provided copies of 12 signed financing contracts for the construction of 2 404 km of new cycling routes. The number of kilometres covered by each contract is indicated under Article 1 – Object of the financing contract of each contract. The total kilometres of new cycling routes to be built based on these contracts amount to 3 924.</p> <p><b>following open and competitive tender process. The tender process shall start by the publication of the financing scheme that shall establish the eligibility, criteria and the conditions for awarding the contracts.</b></p> <p>The call for the signature of the financing contracts annexed to Ministerial Order No. 3047/2022 was published in the Official Journal No.1158 bis on 29 November 2022. The call was published was published on the website of the Ministry of Development Public Works and Administration from 5-11 December 2022. The selection of participants was done on the basis of transparent criteria listed in annex 1 to the call whereas detailed information, including the project calendar (page 16 of the Funding Scheme) and eligibility criteria (pages 8-9 of the Funding Scheme), was available t available in the financing scheme. The applicants could apply through a funding portal <a href="https://investitii.mdlpa.ro">https://investitii.mdlpa.ro</a>. 17 applications were received, and 12 contracts were eventually signed.</p>	

The list of selected applications and the evaluation process is publicly accessible on the Ministry of Development's website, under the National Recovery and Resilience Plan, Component 11: Evaluation of Projects.

**The financial scheme shall be developed by the National Coordination Centre for Velo Routes.**

The financial scheme was developed by the Velo National Coordination Centre. As specified in section 1.2 of call for tender, annexed to Ministerial Order No. 3047/2022, the selection criteria of the call comply with the strategic directions of the National Coordination Centre for Velo Routes.

**Following the completion of the tendering process, the works shall start on the 2 404km of cycling routes.**

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of milestone 342 and has undertaken the assessment on a revised basis. In such description, it is stated that following the completion of the tendering process, the works shall start on the 2 404km of cycling routes.

When the recovery and resilience plan of Romania was revised, Romania requested the revision of the milestone to clarify that the contracts to be signed are financing contracts aiming at setting the financing conditions of the investment between the Ministry and the project's owners. In its request for a revision, Romania explained that according to the national legislation, and in particular Article 5 of Government Decision No. 907/2016 on the drafting stages and the framework content of the technical and economic documents relating to the objectives/investment projects financed by public funds, the signature of a financing contract is to be followed by several steps and notably the realisation of a feasibility study, request for administrative authorisations and signature of implementation contracts. In this respect, the start of the execution works cannot be expected at the time the financing contracts are signed or closely thereafter. Based on this reasoning, Romania asked to remove the requirement stating that following the completion of the tendering process, the works shall start on the 2 404km of cycling routes. While the Commission agreed with the request, it failed to remove it from the Council Implementing Decision adopted on 5 December 2023.

Against this background, the justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone.

**Furthermore, in line with the description of the measure, the location of the routes shall be as a priority along the main touristic routes.**

Annex 1 to the call for tender, annexed to Ministerial Order No. 3047/2022, sets the selection criteria. Criterion number 1 of the tender prioritises projects on EuroVelo 6, EuroVelo 13, Velo Carpatica and Via Transilvanica. Additional points were also given to projects crossing the tourist routes subject to investment C11.1– Promotion of the 12 touristic/cultural routes.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 344</b>	<b>Related Measure: Reforming the funding system for the cultural sector</b>
<b>Name of the Milestone:</b> Entry into force of the law on the funding system for the cultural sector	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislative framework for financing the cultural sector	<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>Milestone #344 is part of reform C11.R3 aiming to create a stable, predictable and long-term sustainable legal and administrative framework for the non-public (private/independent) cultural sector and cultural workers by creating data collection tools for future public policies and start a process that contributes to the socio-educational and cultural development of small rural and urban areas.</p> <p>Milestone #344 requires the entry into force of legislation on the funding system for cultural projects and the support for workers in cultural sectors.</p> <p>Milestone #344 is the first step in the implementation of reform C11.R3. It will be followed by milestone #345 on the entry into force of the law on the statute of cultural workers.</p>	
<p><b>Evidence provided:</b></p> <p>The following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Law No. 286/31.10.2022 for the approval of Government Ordinance No. 83/2022 (hereinafter referred to as 'GO No. 83'), amending and supplementing Government Ordinance No. 51/1998 regarding the establishment of the financing system for cultural programs, projects and actions (hereinafter referred to as 'GO No. 51') and amending and supplementing Government Ordinance No. 42/2019 on the stability of financial measures to support the development of the national cultural program "Timisoara - European Capital of Culture in 2023" (hereinafter referred to as 'GO No. 42').</li> <li>iii. Government Ordinance No. 51/1998 (the consolidated version).</li> <li>iv. Law No. 190/30.06.2022 (hereinafter referred to as 'Law No. 190'), for amending and supplementing the Audiovisual Law No. 504/2002 (hereinafter referred to as the 'Audiovisual Law'), for the amendment and completion of Government Ordinance No. 39/2005 on cinematography (hereinafter referred to as 'GO No. 39'), as well as for the amendment of Law No. 41/1994 regarding the organisation and operation of the Romanian Broadcasting Company and the Romanian Television Company (hereinafter referred to as 'Law No. 41').</li> <li>v. The functional analysis of the cultural ecosystem in Romania (mapping of public and private offers of cultural services at national and local level – hereinafter referred to as the 'functional analysis').</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Romanian authorities cover all constitutive elements of the milestone. Specifically:</p> <p><b>The milestone focuses on ensuring a stable system of funding for cultural projects. The updated law shall set out a stable financing mechanism from the state budget for the cultural sector,</b></p>	



Article 1 of GO No. 51, as amended, establishes a stable financing mechanism for the cultural sector by establishing a general framework and procedures for granting funding to cultural projects, from the state and/or local budgets as well as from the budget of other funding authorities. The financing mechanism is stable because it mandates annual allocation of public funds specifically for cultural projects, ensuring a consistent source of support (Article 1/2 of GO No. 51). This legal requirement guarantees that the funds are set aside every year, providing financial reliability. Additionally, institutional oversight from the National Cultural Fund ensures the proper management and distribution of these funds, reinforcing the system's stability (Article 18 of GO No. 51).

In detail:

- Article 1<sup>1</sup> of GO No. 51 provides the *main principles* underlying the system for granting funding from the local or state budget (*inter alia*, free competition, transparency and cultural diversity).
- The two main *types of financing authorities* are: (i) regional/local authorities, which fund projects at the regional/local level from their own budget, as set out in Article 1<sup>2</sup> of GO No. 51 and (ii) the Administration of the National Cultural Fund (AFCN), which secures funding at the national level from its own resources and the state budget as set out in Article 18 of GO No. 51.
- AFCN is funded through various contributions listed in Article 21 of GO No. 51. These contributions include percentages of revenue from economic activities such as the sale of cultural goods, real estate transactions related to historic monuments, distribution of television programs and various other activities, including the gambling tax. Article 21(1) of GO No. 51 states that 0.5% of the state's gambling revenues is assigned to AFCN.
- The collected revenue is earmarked for grant financing of cultural projects. The administration of the AFCN is allowed to use a portion of the revenue for its own operational expenses, but not exceeding 1%.
- Article 1<sup>2</sup> of GO No. 51 lays down the *obligation of the financing authority* to provide separately, in its own annual budget, the public funds necessary for the granting of non-reimbursable financing to the cultural sector.
- Article 2 of GO No. 51 was amended to introduce possibility of *financing cultural projects from multiple funding sources*, reflecting the need to address the limited amounts available for such projects.
- Article 4, para. (1) of GO No. 51 has been amended to include all the categories of *eligible expenses* under grant funding.

Furthermore, Law No. 190 updates the legal framework to address changes in the audio-visual market, aiming to balance access to online content services, consumer protection, and competitiveness. It transposes Directive (EU) 2018/1808, aligning audio-visual legislation financing with EU guidelines. This law amends and supplements Articles 13 and 16 of GO No. 39. It mandates the payment of a 3% share of the price of audiovisual works downloaded for a fee via data transmission services, including the internet or telephone, and by audiovisual media service providers on demand. Additionally, it adds a 4% contribution to the cinematographic fund from revenues generated by single transactions in the form of subscriptions for viewing audiovisual works through data transmission services or audiovisual media service providers on demand. These taxes are collected into the national budget and become part of the state budget, supplementing existing allocations.

- **focusing on reducing the gap in access to culture between the rural/small-towns areas and big urban areas**

Article 1<sup>2</sup> of GO No. 51 sets up a framework for regional and local financing authorities to improve

cultural accessibility by introducing various instruments:

- Financing Program: Article 1(2)(d) provides that financing authorities must implement medium and long-term development strategies in order to increase the potential of the cultural sector, supporting creative industries and, where appropriate, reduce gaps in citizens' access to culture.
- Urgent Cultural Need: Article 1(2)(l) requires financing authorities to partially finance cultural projects deemed essential to a community's immediate cultural interests.
- Priority Funding Program: Article 1(2)(f) requires financing authorities to prioritise certain cultural projects for legal entities under public or private law. The priority funding program (as defined in art.1(2)(f)) is a specific program established by the financing authority to support cultural projects that align closely with the strategic objectives of the authority. These projects are deemed crucial for achieving the policy goals outlined in the legislation, such as reducing the access gap between rural and urban areas, promoting cultural diversity, and enhancing economic potential in the cultural sector. For the Priority Funding Program, a separate funding is ensured by the funding authority (Article 1<sup>2</sup>(6) of GO No. 51). In this regard, in Art 1<sup>3</sup>(g) the development of access to culture is explicitly mentioned as one of the general priority criteria for financing projects.

Additionally, GO no. 51, also aims to reduce the gap in access to culture between rural/small-town areas and large urban areas by simplifying procedures, enhancing transparency, and ensuring equal opportunities for funding. By de-bureaucratizing existing processes, the law aims to remove obstacles that previously hindered rural communities from accessing funds for cultural and industrial projects. This simplification encourages greater participation from citizens in small towns by making it easier for them to engage in multi-annual projects, placing them on an equal footing with urban counterparts (Article 2<sup>1</sup>(1) details the grant application procedure and steps taken by the funding authority to ease the application process such as developing the applicant's guide, transparent selection criteria, and fair appeal processes, ensuring rural applicants are evaluated fairly.).

- **supporting cultural diversity and social inclusion and gender equality**

GO No. 51 supports cultural diversity, social inclusion, and gender equality by incorporating specific principles and guidelines into the financing mechanism.

- *Cultural Diversity*: GO no. 51 explicitly promotes cultural diversity by ensuring equal opportunities and non-discriminatory treatment for all applicants, regardless of their community or cultural sector, and by promoting a variety of artistic and cultural approaches. This is codified in Article 1<sup>1</sup>(c), which outlines cultural diversity as one of the four main principles that all financing programs and financed projects must follow. Additionally, GO No. 51 introduces new instruments that empower financing authorities at regional and local levels to design funding programs that address the needs of diverse communities. For example, the urgent cultural need and priority funding program mechanisms (Art.1(2)(d) and Art.1(2)(l)) provide opportunities for communities, including minority and marginalized groups, to receive funding for cultural projects that are essential to their cultural expression and identity.
- *Social Inclusion* is achieved by introducing financing mechanisms that prioritize regions and communities traditionally underfunded or underserved in terms of cultural projects. Article 1<sup>3</sup>(g) specifically mentions the development of access to culture as one of the general priority criteria for financing projects, meaning that projects that contribute to greater cultural accessibility are given preference for funding.
- *Gender equality* ensures equal opportunities for all applicants, regardless of gender, in the preparation, selection, and implementation of cultural projects. This commitment is

reflected in Article 1(2)(n), which defines the applicant guidelines to include a requirement for "ensuring equal opportunities and treatment" throughout the funding process. By embedding gender equality in the legal framework, the law seeks to ensure that both women and men are equally represented and empowered within the cultural sector, whether as creators, organizers, or participants in cultural programs. Furthermore, the principle of non-discrimination, underlined in Article 1<sup>1</sup>(c), promotes gender equality by prohibiting biased treatment based on gender, and by actively fostering diversity in cultural expressions and leadership roles within funded projects. The inclusion of gender-sensitive criteria in the funding guidelines helps to create a more equitable cultural sector, ensuring that cultural programs and projects reflect and promote the contributions of all genders.

- **supporting the creative industries**

Article 1<sup>2</sup>d of GO No. 51 states that the financing authorities implement medium and long-term development strategies in order to increase the potential of the cultural sector, supporting creative industries.

- **increasing the economic potential of the cultural sector.**

The updated legal framework aims to increase the economic potential of the cultural sector by setting up a comprehensive list of eligible expenses as well as diversifying the sources of funding:

- Article 1<sup>2</sup>d of GO No. 51 states that the financing authorities implement medium and long-term development strategies in order to increase the economic potential of the cultural sector, supporting creative industries and, if applicable, reduce gaps in citizens' access to culture.
- The preamble of the GO No.51 includes the expected impact of the updated GO no. 51 on the sub-sectors and/or activities and relates to the positive effects as a result of debureaucratization, transparency and simplification of pre-existing legislation and procedures so obstacles in accessing funds for preparation and implementation of cultural projects are removed.

**The laws which shall be approved and enter into force are:**

- **The legislative framework on non-reimbursable funding in culture (Government Ordinance 51/1998);**

GEO No. 83 of 16 June 2022, amending and supplementing GO No. 51 on the establishment of the financing system for cultural programs, projects and actions, was published in the Official Journal on 20 June 2022 and entered into force on 3 November 2022 by virtue of Law no. 286/31.10.2022.

- **The funding in the audio-visual field in line with Community guidelines.**

Law No. 190 amends and supplements the Audiovisual Law No. 504/2002, it amends and supplements GO No. 39 on cinematography, and it also amends Law No. 41/1994 on the organisation and operation of the Romanian Radio Broadcasting Company and the Romanian Television Company. It was published in the Official Journal on 30 June 2022 and entered into force on 3 July 2022, as established by Article 12(1) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts.

**The legislative changes will be based, inter alia,**

- **on the results provided by the mapping of public and private offers of cultural services at**

### **national and local level,**

The National Institute for Cultural Research and Training (INCFC), a state entity specialised in cultural research and statistics in Romania, conducted a functional analysis of the cultural ecosystem in the country which served as the initial step in formulating the Sectoral Strategy in the Field of Culture for the period 2023-2030. The functional analysis mapped public funding allocated to cultural projects and programmes from 2005 to 2020 (pages 535-667) at national and local level, with special attention to the cultural expenditures of local and regional authorities. For local-level financing, data were collected from 99 out of 103 cities, 206 out of 216 towns, and 40 out of 41 regional authorities (page 545). These data were then cross-referenced with fiscal and financial information during the 15-year period. The information was sourced from official annual budget reports compiled by the Minister of Finance and its oversight bodies. At national-level funding, data from the Ministry of Culture, its subordinate institutions, and other central government bodies, including contributions from European Structural and Investment Funds (ESIF) was analysed. It compared the funding of local cultural institutions in Romania with those in other European countries.

The main conclusions from the mapping used for the amendments to GO No. 51 are:

- Need to facilitate access to cultural funding through more predictable and transparent mechanisms (Article 1<sup>2</sup>, Article 13 and Chapter 2);
- Need to have financing to address urgent/priority problems of the communities and reduce the gap in access to culture between urban and rural areas (Article 1<sup>2</sup> and Article 12)
- Possibility to finance projects from more sources, due to the small amounts available for cultural projects (Article 2);
- Extension of the types and proper definition of eligible costs (Article 4);
- Need to respect the legislation on State aid (Articles 12, 21 and 62);
- Need to diversify the sources of income for AFCN (Article 21);
- Need for digitalisation of the cultural funding system, the development of a unified and integrated platform for the submission, evaluation and monitoring of projects, as well as the establishment of the National Registry of non-reimbursable funding (Article 33 and Article 10/3).

Additionally, the mapping proposes digitalizing the cultural funding system through a unified platform, facilitating streamlined data collection, evaluation, and monitoring, allowing for more effective long-term policy development. By identifying gaps and diversifying funding sources, including small-scale projects in rural and urban settings, the mapping sets the foundation for future public policies that directly support socio-educational and cultural growth in these regions. This is reflected in the Article 1(2)(p) of the GO No. 51 which creates register of non-reimbursable funding in the field of culture and Article 25 that mandates the creation of an electronic record of contributors and continuous updates to the database, ensuring accurate, transparent data collection that can be used to inform policy decisions.

- **on identifying and providing additional predictable and transparent sources of funding,**

Pages 535-667 of the functional analysis map the public financing of culture, including cultural projects and programs, at both national and local levels from 2005 to 2020. It examines the funding of the cultural sector, focusing on how local authorities have supported cultural projects by non-governmental entities. The analysis also highlights the impact of this support on both the cultural and socio-economic environment.

The outcomes of the mapping exercise are integrated in GO No. 51:

- Possibility to finance projects from more sources, due to the small amounts available for cultural projects (Article 2);
  - Need to have financing to address urgent/priority problems of the communities and reduce the gap in access to culture between urban and rural areas (Articles 1<sup>2</sup> and 12);
  - Need to diversify the sources of income for AFCN (Article 21).
- **a governance mechanism with clear responsibilities assigned for the public authorities at national and local level;**

The functional analysis covers the governance mechanism in the following chapters:

- General considerations, definitions and classifications of the cultural and creative sectors (Pages 3-81)
- Analysis of the relevant regulatory framework in the field of culture (Pages 94-300)
- Analysis of the funding for culture at national and local level (pages 535-667).

The outcomes of the mapping exercise are integrated in GO No. 51 as follows:

- Proper definition of terms (Article 1<sup>2</sup>)
- Introduction of priority criteria (Article 13)
- Clear and uniform procedures for submitting projects and awarding financing (Chapter II) and reporting (Articles 6, 61,62 and 63)
- Multiple sources of funding (Article 2)
- State-aid considerations (Articles 12, 21 and 62).

Additionally, Article 18 (1) is amended to contain special provisions regarding the non-reimbursable financing of cultural projects from the budget of the National Cultural Fund, managed by the Administration of the National Cultural Fund, a public institution with legal personality, which is organized and operates under the MC, while the following articles detail the board of Directors main attributions and the definition of the NCF.

The mapping exercise and amended articles in GO No. 51 ensure a governance mechanism with clear responsibilities for public authorities at both national and local levels by defining terms, introducing priority criteria, and establishing uniform procedures for project submissions and funding. This structure clarifies the roles and expectations of authorities, enabling better oversight and coordination. Additionally, the amendments related to the National Cultural Fund further specify governance responsibilities for managing cultural funding through a legally defined institution under the Ministry of Culture. The governance mechanism and Administration of the National Cultural Fund is regulated in Chapter 3 of the GO No. 51.

- **a funding disbursement mechanism conditional to the achievement of key performance indicators associated to the policy objectives.**

Pages 300 – 311 of the functional analysis focus on the analysis of the relevant indicators in the field of culture. The key performance indicators (KPIs) linked to the policy objectives focus on promoting sustainable development in the cultural sector. These include increasing vocational education graduates and employment rates in cultural and creative sectors, targeting annual economic Growth and Productivity in the Cultural Sector and rehabilitating historic buildings. Other KPIs focus on reducing energy consumption in cultural infrastructure, boosting participation in cultural activities, increasing household spending on cultural goods, fostering sustainable tourism, and forming international public-private partnerships.

Pages 469-535 of the functional analysis integrate the key performance indicators in the analysis of

the economic potential of the cultural sector.

The outcomes of the analysis are integrated in GO No. 51 as follows:

- Article 1<sup>3</sup>(2) sets out the criteria for awarding grants for cultural projects based on relevant criteria/indicators laid down annually by the funding authority, including:
  - o consistency with the cultural or educational development strategy
  - o sustainability of cultural, economic and social impacts
  - o artistic excellence
  - o European dimension, local, regional, national and/or international cooperation/co-productions
  - o promotion of tangible and/or intangible heritage
  - o contribution to the cultural interest of the community
  - o the importance, representativeness or cultural/artistic value of the project.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 399</b>	<b>Related Measure: Reform of long-term care services for older people</b>
<b>Name of the Milestone:</b> Entry into force of a law for the adoption and implementation of the National Long-Term-Care Strategy	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the legislative act to support the implementation of the adopted National Long-Term-Care Strategy	<b>Time:</b> Q4 2022
<b>Context:</b>  The objective of reform C13.R7 is to improve the quality of the long-term-care services for older people. Milestone #399 concerns the entry into force of a law for the adoption and implementation of the National Long-Term-Care Strategy, which should include active ageing measures, as well as measures to cover the long-term-care medical needs, and community-based services for the elderly. Milestone #399 is the only milestone or target in this reform. It will be followed by target #400, part of investment C13.I4, related to the operationalisation of day care and rehabilitating centres for elderly. The reform has a final expected date for implementation of 31 December 2022.	
<b>Evidence provided:</b>  The following evidence was provided: <ul style="list-style-type: none"><li>i) Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li><li>ii) Copy of the Government Decision and Annex to the Government Decision No. 1492 of 14 December 2022 for the approval of the National Strategy on Long-Term-Care and Active Aging 2023-2030, published in the Official Journal No. 1251 and 1251bis on 23 December 2022, entered into force on 23 December 2022;</li><li>iii) Copy of the Law No. 355 of 13 December 2022 for the amendment of Law No. 17/2000 on social assistance of the elderly, published in the Official Journal No. 1202 on 14 December 2022, entered into force on 17 December 2022;</li><li>iv) Copy of the Law No. 100 of 16 April 2024 for the amendment and supplementation of normative acts in the area of social assistance, as well as for the supplementation of Law</li></ul>	

- no. 78/2014 for the regulation of volunteering activities in Romania and the amendment of Law no 272/2004 for the protection and promotion of children's rights, published in the Official Journal No. 369 on 18 April 2024, entered into force on 21 April 2024;
- v) Copy of the Ministerial Order No. 2143 of 17 November 2022 amending Ministerial Order No. 29/2019 for the approval of minimum quality standards for the accreditation of social services for elderly, homeless persons, young people leaving the child protection system, and other categories of adults in difficult situations, as well as community-based services, integrated services and social canteens, published in the Official Journal No. 1247 on 23 December 2022, entered into force on 23 December 2022;

**Analysis:**

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

**Entry into force of a law for the adoption and implementation of the National Long-Terms-Care Strategy**

The Council Implementing Decision required the entry into force of a law for the adoption and implementation of the National Long-Term-Care Strategy. However, the Romanian authorities have adopted a Government Decision for the adoption of the National Long-Terms-Care Strategy, and amended Law No. 17/2000 for the implementation of the Strategy. Government Decision No. 1492 of 14 December 2022 for the approval of the National Strategy on Long-Term-Care and Active Aging 2023-2030 (hereinafter referred to as "the Strategy") was published in the Official Journal No. 1251 and 1251bis on 23 December 2022. It 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. Furthermore, to support the implementation of the Strategy, two amendments were made to Law No. 17/2000 on social assistance of the elderly, through: Law No. 355 of 13 December 2022, published in the Official Journal No. 1202 on 14 December 2022 and Law No. 100 of 16 April 2024, published in the Official Journal No. 369 on 18 April 2024. Both laws entered into force three days after their publication, in accordance with Article 12(1) of Law No. 24/2000 on the rules of legislative technique for the drafting of legislative acts. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the Government Decision adopting the National Long-Term-Care Strategy constitutes a legally binding document, therefore ensuring the enforceability and certainty of application of the Strategy to improve the quality of the long-term care services for older people. Furthermore, the legal framework which outlines the approval of strategies through Government Decision is Article 25 (e) of Government Emergency Ordinance No. 57/2019 on the Administrative Code, which establishes that in fulfilling its functions, the Government is empowered to adopt, through Decisions, strategies, programmes and methodologies in specific fields. Law No. 17/2000 on social assistance of the elderly is a legally binding act important in supporting the implementation of the Strategy because it also regulates the field of long-term care. The law was amended to define the key performance indicators and to ensure the conditionality between the funding disbursement mechanism and the achievement of the indicators as required by the Council Implementing Decision. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Law for the adopted strategy, including active ageing measures, as well as measures to cover the long-term care medical needs, and community-based services for the elderly.**

Concerning active ageing measures, the Strategy contains an Action Plan, which provides for the promotion of active and dignified social participation of elderly in Specific Objective 6 underpinned by measures concerning “the implementation of local programs for supporting active social participation of elderly, namely: their involvement in the local advisory structures, creation of networks of local volunteers and involvement of elderly in activities at community level” (measure 6.1.4.), “the development of financial, administrative and communication support tools and actions at local level for the improvement of public infrastructure for promoting active aging and a healthy life at all ages” (measure 6.2.1.). In addition, active ageing is also supported by programmes for the reduction of loneliness, personal and community development activities, leisure, information, counselling, voluntary activities, mutual support networks to overcome life problems, community support services, community lifelong learning centres (measure 2.1.2.); informal care, organisation of socio-cultural events for the elderly (measure 2.1.4.); developing a national programme on prevention of falls and promotion of physical activity among the elderly (measure 2.1.5.).

On measures to cover long-term-care medical needs, the Action Plan of the Strategy contains “the coordination for the provision of social and medical long-term-care services for the elderly at local and county level” (measure 1.2.1.) and “facilitating the access of the elderly to public health and healthcare programs” (measure 2.1.1.). Also, Direction of action 3.4. in the Action Plan covers the “complementarity between the social assistance and medical assistance systems in the field of long-term-care”. Provisions of Article 8(2) letter c) of Law No. 17/2000 on social assistance of the elderly support the implementation of the Strategy in relation to the long-term care medical needs, by regulating the types of medical community services provided to the elderly, such as: consultations, medical care at home or in health institutions, dental care, administration of medicines, provision of sanitary materials and medical devices.

Regarding the community-based services for the elderly, the Strategy supports home and community care as a priority through these measures: “developing a network of community centres for social services, based on the needs identified at local level – day centres, homecare services, community assistance services, protected homes” (measure 2.2.1.); “developing, financing and implementing long-term-care services in the community for highly dependent elderly and suffering from chronic diseases” (measure 2.3.1.); “allocation of financial resources from the state budget for the operation of decentralised social services for the elderly” (measure 3.1.1.); “development, piloting and evaluation of national/county/local programmes stimulating funds allocation for long-term-care services in the community” (measure 3.1.2.); “dedicated training programmes for informal carers dealing with highly dependent elderly” (measure 2.3.2.).

#### **The law shall entail:**

##### **- an identified stable source of funding for the measures**

The Strategy’s chapter on budgeting and sources of financing specifies that the funding of the measures foreseen in the Strategy and its Action Plan is supported from the state budget and local budgets within the limits of the annually approved financing. The Strategy also provides that some investments in day centres and homecare units are part of the Romanian recovery and resilience plan. Other complementary measures will be financed from European non-reimbursable funds.

Also, Law No. 17/2000 on social assistance of the elderly regulates the funding mechanism for social services addressed to elderly people. The law was amended in 2022 and provides that, in addition to the funding from the local budgets, public home care services and day care centres for the elderly receive resources from the state budget to finance current operating expenses and the provision of care services in the amount of at least 30% of the minimum annual expenditure necessary to provide social services.

The source of funding for the measures is stable since the financing of social services is primarily



ensured from the budget of the local authorities and from the state budget in line with the provisions of Law No. 292/2011 on social assistance.

**- a governance mechanism with clear responsibilities assigned for the public authorities at national and local level**

The Action Plan of the Strategy sets out the institutions responsible for the implementation of the measures, according to their areas of competence.

At central level, the Ministry of Labour and other central public authorities are responsible for the development of public policies, programmes and national strategies, regulation, coordination and control of their implementation, as well as the evaluation and monitoring of the quality of social services. Article 38 of Law No. 17/2000 on social assistance of the elderly also specifies that the Ministry of Labour initiates the strategy on long-term-care and active ageing, provides methodological guidance, coordinates, controls and evaluates the application of the provisions of the law.

At local level, in line with Article 12(2) of Law No. 17/2000, the local public authorities are responsible for identifying and assessing the needs of the elderly, but also for the organisation, administration and delivery of social services. Article 12(1) of Law No. 17/2000 specifies the obligation of local public authorities to organise community services provided to the elderly at home and in day care and rehabilitation centres directly or under partnership agreements and social service contracts concluded with other public or private social service providers licensed for such services.

**- a funding disbursement mechanism conditional on the achievement of key performance indicators associated to the policy objectives**

The definition of the key performance indicators associated to the policy objectives and the conditionality of the funding disbursement for the services on the achievement of the indicators is regulated by Article 20<sup>1</sup>(1) of Law No. 17/2000 on social assistance of the elderly. It provides that the financing from the state budget of social services for the elderly is conditional on the achievement of the following conditions: service providers requesting funding must possess a functioning license for the respective social services; the assessment of the needs of the community should be based on a methodology in line with the framework methodology at national level; respecting the subsidiarity principle which requires that the allocation of funding from the state budget can be requested only as a top up of funds from the local budget; implementation of the prevention principle requiring to ensure a continuous flow of social services in the community; implementation of a transparent system for the assessment of the quality of services and respect of the rights of elderly based on information collected from beneficiaries and their families.

Article 20<sup>1</sup>(2) of Law No. 17/2000 states that territorial administrative units with a long-term-care network with more than 50% of elderly persons cared for in the community should receive funding from the state budget of at least 40% from the minimum cost standard. Through this additional funding, this provision incentivises the shift from residential to community care services.

**- the revision of minimum quality standards**

The Council Implementing Decision required the entry into force of a law for the revision of minimum quality standards. However, the minimum quality standards were revised through Ministerial Order No. 2143/2022 amending Ministerial Order No. 29/2019 for the approval of minimum quality standards for the accreditation of social services for elderly, homeless persons, young people leaving the child protection system, and other categories of adults in difficult situations, as well as community-based services, integrated services and social canteens. Ministerial

Order No. 2143/2022 was published in the Official Journal No. 1247 on 23 December 2022, and entered into force on 23 December 2022. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the Ministerial Order approving the minimum quality standards constitutes a legally binding document, therefore ensuring the enforceability and certainty of application of the standards to improve the quality of the long-term care services for older people. Furthermore, the legal framework which outlines the approval of minimum quality standards through Ministerial Order is Article 4(5) of Law No. 17/2000 on social assistance of the elderly, which requires that the minimum quality standards in social services provided to the elderly are approved by order of the Minister of Labor and Social Solidarity. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The revision of the minimum quality standards was adopted through Ministerial Order No. 2143/2022 amending Ministerial Order No. 29/2019.

This revision covers updating and expanding the working tools and collaboration procedures to ensure a case management approach for social service centres operating in a network/under collaboration contracts between social service providers; supplementing the minimum quality standards applicable to day care and rehabilitation centres with personal care services for dependent elderly people; expanding the "Care, Supervision and Health maintenance" module/ "Other support services" standard with personal care services at home and supplementing the minimum quality standards for home care services with the possibility of providing other support services; adding a prevention component to the "Social Integration and Participation" module, and specifying the provision of support for personal development, maintaining self-esteem, facilitating participation in activities in day care and rehabilitation centres for the elderly.

**The legislative act shall be based on a full mapping at community level (commune/town/county level) of the potentially dependent elderly population or at risk (e.g. poverty, health, unaccompanied, high degree of dependency). Furthermore, in line with the description of the measure, the legislative act shall also be based on a full mapping at community level (...) in view of establishing the type of long-term care services needed.**

The legislative act(s) adopting and implementing the Strategy include a detailed analysis of the demographic, epidemiological and social trends in Romania, long-term-care services in the social care system and in the health care system, as well as the patterns identified in the demand for long-term care of elderly people in Romania. Based on the findings of the mapping report of September 2022 concerning the long-term care needs of the elderly in Romania, specific objectives and directions of action were set in Chapter 5 of the Annex to the Government Decision No. 1492/2022. These aim at revising the legal framework in this field, ensuring the sustainability and availability of tailored services, increasing the financing for community care, improving the quality and cost standards and attracting qualified human resources. Also, dedicated provisions on community services for the elderly and financing from the state budget were included in Articles 8, 9, 17 and 20<sup>1</sup> of Law No. 17/2000 on social assistance of the elderly.

The Ministry of Labour developed the Mapping Report on elderly persons with long-term-care needs, published on the website: [http://mmuncii.ro/j33/index.php/ro/transparenta/anunturi/6730-20220929\\_raport-mapare-persoane-varstnice](http://mmuncii.ro/j33/index.php/ro/transparenta/anunturi/6730-20220929_raport-mapare-persoane-varstnice)

Part I includes a detailed analysis of the typologies of care needs of elderly people at national level and disaggregated at the level of the 4 macro-regions in Romania. Part II describes several sets of estimates on the number of elderly people aged 64+ with long-term-care needs in Romania, at locality (commune, town) and county level and by types of needs (minor care needs, major needs and severe needs).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

