



ROMANIA  
Ministry of Foreign Affairs

**SHORT PROGRESS REPORT**

**ON THE IMPLEMENTATION OF THE**

***NATIONAL REFORM PROGRAMME 2011-2013***

***15 March 2013***

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***ABBREVIATIONS***

<b>AIPPIMM</b>	Agency for Implementing Projects and Programs for Small and Medium Enterprises
<b>ANCS</b>	National Authority for Scientific Research
<b>BNR</b>	National Bank of Romania
<b>CC</b>	Competition Council
<b>CFR Marfă</b>	Romanian Railway Freight Transport Company
<b>FNGCIMM</b>	National Credit Guarantee Fund for Small and Medium Enterprises
<b>IM</b>	Labour Inspectorate
<b>INS</b>	National Institute of Statistics
<b>MADR</b>	Ministry of Agriculture and Rural Development
<b>MAI</b>	Ministry of Internal Affairs
<b>MDRAP</b>	Ministry of Regional Development and Public Administration
<b>ME</b>	Ministry of Economy
<b>MEN</b>	Ministry of National Education
<b>MFE</b>	Ministry of European Funds
<b>MFP</b>	Ministry of Public Finance
<b>MJ</b>	Ministry of Justice
<b>MMFPSPV</b>	Ministry of Labour, Family, Social Protection and Elderly
<b>MMSC</b>	Ministry of Environment and Climate Change
<b>MS</b>	Ministry of Health
<b>MSI</b>	Ministry of Information Society
<b>MT</b>	Ministry of Transport
<b>SGG</b>	General Secretariat of the Government
<b>SOP</b>	Sectoral Operational Programme

## INTRODUCTION

*The National Reform Programme 2011-2013* (NRP) is the implementation instrument, at national level, of *Europe 2020* Strategy and it consists in all the measures and actions undertaken in order to reach the objectives of this strategy and to eliminate the macro-structural bottlenecks to growth and employment.

NRP was approved by the Government on April 29<sup>th</sup>, 2010.

The coordination of NRP's implementation and monitoring, at national level, was ensured, in 2012, by the Ministry of European Affairs; as of January 2013, this duty was taken over by the Ministry of Foreign Affairs, which preserved all previously defined procedures for the whole process.

According to the *Memorandum No 20/1972*, approved by the Government in 2011, the coordinating institution elaborates, on an annual basis, with the support of the institutions involved, an *Action plan for implementing the NRP*. This plan contains specific measures on short term (two years) resulted from the original provisions of *NRP 2011-2013*, *Annual Growth Survey*, *Country Specific Recommendations* issued by the Commission and approved by the Council, as well as other measures recommended through the seven *Flagship initiatives*, which are part of *Europe 2020* strategy.

*The annual Report on NRP implementation during 15 March 2012 - 15 March 2013* reflects the progress achieved in the implementation of the *Action Plan* for 2012-2013. Based on this report, the Ministry of Foreign Affairs has prepared a short progress report which offers a quick view on the main achievements towards reaching the national targets Europe 2020.

The thematic sections of the summary reflect the structure of NRP, being preceded by a brief overview of the implementation status of the country-specific recommendations for Romania, as approved by the European Council in 2012.

**A. COUNTRY SPECIFIC RECOMMENDATION**

In 2012, the summer European Council recommended that Romania take action within the period 2012-2013 to **implement the measures laid down in Decision 2009/459/EC, as amended by Decision 2010/183/EU, together with the measures laid down in Decision 2011/288/EU** and further specified in the Memorandum of Understanding on June 23<sup>rd</sup>, 2009 and its subsequent supplements, and in the Memorandum of Understanding on June 29<sup>th</sup>, 2011 and its subsequent supplements.

The implementation of the above-mentioned measures was carefully monitored by the Romanian Government and the representatives of the International Monetary Fund (IMF) and European Commission (COM). Thus, during the 15<sup>th</sup> and 29<sup>th</sup> January 2013, IMF and EC missions<sup>1</sup> conducted their assessments on Romania's economic programme. The delegations approached subjects concerning recent economic developments and the outlook, 2013 draft budget, progress on structural reforms, as well as monetary policy issues.

On January 29<sup>th</sup>, 2013, the missions presented their *conclusions*: as the head of the IMF mission for Romania stated, our country fulfilled the most important target – the 2012 budget deficit, in accrual terms, was reduced below 3% of GDP.

In 2013, growth is projected to pick up to around 1.6%, mainly driven by domestic demand. Inflation increased to 5% at the end of 2012 but IMF representatives expect it to decrease in the second half of 2013 to slightly above 3.5% by the end of the year.

The fiscal imbalances that built up before the global financial crisis have been largely corrected. Preliminary estimates suggest that *the 2012 budget deficit in accrual terms was reduced to below 3% of GDP* - as planned. However, *the cash deficit target was missed*, mainly due to suspensions of reimbursements for some EU-funded projects.

The 2013 budget targets a deficit of 2.4% of GDP in accrual terms and 2.1% in cash terms. The budget allows for the increase of public sector wages so as to restore them to pre-crisis levels, a 4% increase in pensions, and also includes a significant allocation to reduce payment periods in health care to 60 days. Revenue measures include some reductions in tax deductions, improved taxation of agriculture, and making the turnover tax of 3% on small enterprises mandatory. The minimum wage increases at 750 Lei per month by February 1<sup>st</sup> and at 800 Lei by July 1<sup>st</sup>, 2013.

At staff level, agreement was reached on corrective actions that are needed to achieve the objectives of the programme, notably as regards the *reduction of government payment arrears* and *public enterprise reform*, and on the *2013 draft budget*. In view of the time needed to take these measures and complete the reviews successfully, the Romanian authorities asked for an extension of their programme with the IMF by three months. The Romanian authorities expressed their commitment to resume the reform of state owned companies (Transgaz, CFR Marfa and Oltchim). Efforts to appoint professional boards and managers in public enterprises will be stepped up. The roadmaps for electricity and natural gas price deregulation will be strictly followed, while measures will be taken to protect the most vulnerable households.

The Executive Board of the IMF approved on March 15<sup>th</sup>, 2013 – on a lapse-of-time basis<sup>2</sup> – *a three-month extension of Romania's Stand-By Arrangement to June 30<sup>th</sup>, 2013*. The extension will allow the Romanian authorities the time to implement the measures needed to complete the combined seventh and eight reviews under the Stand-By Arrangement and it will, in particular, offer an opportunity to reduce arrears of the central and local governments and to take measures to improve the governance of state-owned enterprises.

<sup>1</sup> Review Missions for 2011 - 2013 pre-cautionary assistance programme (Stand-By Arrangement), 15-29 January, 2013

<sup>2</sup> The Executive Board takes decisions under its *lapse-of-time procedure* when it is agreed by the Board that a proposal can be considered without convening formal discussions.

## **B. MACROECONOMIC SURVEILLANCE**

On **sustainability of public finances**, the extension of the agreement signed with the international financial institutions (IFI) has contributed to ensuring the macroeconomic stability.

Thus, the **fiscal consolidation continued in 2012** (even though it was an election year), the *budgetary deficit* declining by over 38%, from 4.3% in 2011 to 2.5% of GDP in 2012 (*in cash*). The actions under MFP responsibility, aiming at strengthening the fiscal-budgetary framework, growing revenues and monitoring budgetary spending, were met, except for the one on reaching a maximum budget deficit of 2.2% of GDP. According to preliminary estimates, the deficit of the general budget for 2012 is under 3% but slightly over the deficit target set in the arrangement with the international financial institutions due to the temporary blocking of EU funds and to the downward revision of nominal GDP.

As share of GDP, the budgetary revenues increased in 2012 by 0.2% while the budgetary spending decreased by 1.6%, as compared to 2011 levels. The collection of taxes and duties was largely as planned, while the total spending was lower than anticipated as the investments financed from national sources were reduced in favour of increased spending on EU-funded projects and transfers to reduce arrears.

**The State Budget for 2013** was approved by the *Law No 5/2013*, with budget revenues estimated at 33.6% of GDP and government spending estimated at 35.7% of GDP, resulting a *deficit of 2.1% of GDP*. One of the most important objectives for 2013 budget is the *continuation of fiscal consolidation by growing revenues at a faster rate than the spending increase rate*.

During the period covered by this report, **the financial stability** remained robust, the Romanian financial system operating in the adequate parameters; the most important measures undertaken in this period focused on prudential regulation, managing systemic risks and foreign currency lending.

As regards the **strengthening of the banking system**, the *GO No 1/2012* entered into force in January 2012; this ordinance is modifying *GEO No 99/2006 on credit institutions and capital adequacy* and *GO No 39/1996 on the establishment and functioning of the Bank Deposit Guarantee Fund*, creating new tasks for BNR in the field of restructuring credit institutions. After conducting a simulation exercise consisting in the transfer of assets and liabilities to a bridge bank, BNR has prepared a draft procedure for the implementation of the stabilization measures covered by *GO No 1/2012*, which will be adopted by September 30<sup>th</sup>, 2013.

In order to develop a **plan for unforeseen situations in the banking sector**, BNR prepared internal procedures for identifying *systemically important banks*; the last evaluation according to this procedure was performed by BNR for September 2012 data.

Regarding the **European Systemic Risk Board (ESRB) recommendations on foreign currency lending**, BNR adopted the necessary measures in order to implement its provisions: the monitoring instruments for foreign currency credit risks were extended and a series of recommendations designed to improve the regulation on loans to households were developed and included in Regulation No 17/2012 on certain credit conditions (thus aligning to A1, B2, B3 and G ESRB Recommendations). In order to align to ESRB D Recommendation, BNR elaborated Regulation No 15/2012 on the management framework of credit institutions, internal assessment of capital adequacy and conditions for outsourcing activities.

**C. PRIORITY REFORMS ON SHORT AND MEDIUM TERM****1. MODERNIZING PUBLIC ADMINISTRATION****Overview of the Functional review implementation**

Concerning the **development of the administrative capacity**, the *National Reform Programme 2011-2013* (NRP) includes an entire chapter - *Increasing the efficiency and transparency of public administration* - focused on this policy priority. The reform measures covered by this chapter are based on the WB's recommendations issued following the completion of the first stage<sup>3</sup> of its *Functional review on the Romanian central public administration*. Moreover, these reform measures are consistent with the objectives of the Romanian Government to continue the reform of public administration, with emphasis on decentralization, to streamline the administrative act, to expand citizens' access to public information of national and local interest, etc.

WB's Functional review represents the basis for the substantiation of a number of sectoral action plans designed to strengthen the efficiency of the evaluated sectors, according to the provisions of the *Memorandum of Understanding between European Community and Romania* (June 2009).

As regards the **first stage of Functional review**, this was completed at the end of October 2010; six institutions (SGG, MFP, MT, MADR, CC, MEN - primary and secondary education) had been evaluated by WB' experts. Their recommendations were included into action plans approved by memorandum (in December 2010) at the level of Government.

Given the uneven progress in the implementation process during 2012, all the institutions rescheduled the actions stipulated within *Action Plan on NRP implementation* and established new deadlines (e.g. 2014 compared to 2012/2013). In this context, the actions continue to be monitored through the *2013 Action Plan on the NRP implementation*.

Nevertheless, in Q1/2013, a notable improvement can be noticed in implementing some of the actions under the responsibility of SGG, respectively MADR. Thus, at the beginning of March 2013, the Government approved the presentation note of *Annual Working Plan of the Government* (AWPG). First of all, this strategic planning tool will be implemented at the level of MEN and MMSC, and in semester 2/2013, at the level of all ministries. Rendering AWPG operational influences the fulfilment of other two actions responding to WB' recommendations: *revitalizing the Strategic Planning Council* and *strengthening the role of preparatory meeting of the Government session*.

Regarding the *public policy system review*, progress is significant: SGG finalized the draft of a new government decision on impact assessment of public policy documents and sent it into approval circuit. In order to *develop an integrated documents management system*, SGG plans to sign with the Management Authority for the Operational Programme *Administrative Capacity Development* (MA OP ACD), during Q2/2013, a financing contract for the project proposed to support this action.

The actions of MADR regarding the strengthening of the agricultural administration capacity are based on a series of projects (with financial support from the European Social Fund - ESF) that aim at elaborating the *Agricultural Strategy by 2020/2030*, the *MADR Institutional Strategic Plan*, as well as a *merge analysis* of the Payment for Rural Development and Fishing Agency and the Payment and Interventions in Agriculture Agency. All these projects are currently under implementation.

In order to prepare the first preliminary progress report on the projects implementation and to develop modern management tools, the WB's experts organized in Bucharest - by March 15<sup>th</sup>, 2013 - two missions, as well as several meetings and debates with the representatives of MADR and its subordinated institutions.

The actions under MT responsibility have also been translated into projects with financial support from ESF. Concerning the *implementation of a comprehensive strategy in transportation sector*, MT has completed all the steps planned for 2012. Instead, *improving the management of rail transport* registered some delays caused by the lack of funds (for this reason, MT postponed the deadline of this action for Q4/2015). *Improving MT capacity to manage public-private partnership projects* represents

<sup>3</sup> The only stage completed at the time of elaborating the *NRP 2011-2013*.

another action with some delays in implementation, but according to MT, this will not affect the assumed deadline.

Concerning the actions mainly focused on the improvement of budget credibility and fiscal-budgetary discipline, MFP has taken some steps in implementing, but the progress made is uneven. For the action *institutionalizing cautious estimation of budget incomes*, initially proposed to be financed by OP ACD, an alternative financing solution is envisaged by including it within a SGG project financed through the Operational Programme *Technical Assistance* (OP TA). Also, the lack of progress in terms of *streamlining banking transaction services* determined MFP to try to get, this year, financial support within OP TA. As regards the action *improving the financial reporting capacity*, MFP signed in March 2013 a technical assistance and consulting contract designed to carry out the IT system for reporting on budget execution and financial statements. To *improve the public debt administration process*, MFP concluded a financing agreement with MA OP ACD (July 2012), as well as a technical assistance agreement with the WB (October 2012).

During 2012, the implementation of some actions under MEN responsibility has made progress: it is the case of *completion of secondary legislation specific to National Education Law* or *achieving mechanism for regular consultations with social partners*. There are also some actions based on OP ACD projects with delays in implementation, such as *developing MEN' database to manage teaching process, redefining the specific tasks of MEN' directorates, implementing strategic management and leadership at the level of MEN*. In these circumstances, MEN revised the timetable and proposed new deadlines.

At the same time, CC took steps to carry out the actions that it has committed to; in this regard, it has managed to finalize the *internal restructuring*, through the adoption of a new *Regulation of organization and functioning*, and to unblock the *positions for economic and legal experts*. CC intends to accomplish the recruitment process during Q3/2013, with a certain delay compared to the schedule established in the *Action Plan on NRP implementation*.

The **second stage of Functional review** (finalized in 2011) was focused on the assessment of the following institutions: MMFPSPV (labour and social protection), MDRAP (regional development), ME (business environment and energy), MMSC (environment, water and forests field), MS (health), MEN (higher education and research)<sup>4</sup>. The results of this stage were also translated into sectoral action plans approved by the Government through memorandum in July 2011. For a number of specific measures, certain ministries have found financing support within OP TA, obtaining technical assistance from international bodies, such as the European Investment Bank, WB, Jaspers. The sectoral action plans for this stage of the Functional review are currently under implementation, the progress being reported by SGG to the European Commission, on a quarterly basis.

## 2. INCREASING THE ABSORPTION RATE OF STRUCTURAL AND COHESION FUNDS

In 2012, efforts of the national authorities were directed towards the implementation of the *Priority action plan for increasing the capacity to absorb structural and cohesion funds* (PAP), reviewed with the European Commission services. Progress has been made in improving project cycle management through the approval by the Romanian Government of several simplification measures in the process of verifying the reimbursement applications for contracts financed by structural instruments. In order to improve the procurement process, the standardisation of the public procurement documentation for transport and environment fields was approved through ministerial orders.

Although some progress has been made in implementation of PAP, the absorption rate was still below expectations. Consequently, in November 2012, the European Commission has proposed the development of a new action plan for improving the administrative capacity for EU funds management. The new plan includes all unrealized measures of the PAP and contains new short,

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<sup>4</sup> This document contains the names currently used by the national institutions following the recent reorganization of the Romanian central public administration; these names are different from those valid at the time of the second stage of Functional review.

medium and long term measures. In December 2012, the first version of this plan was elaborated and agreed with the European Commission. A revised version of the plan is currently under inter-institutional consultation procedure.

Based on GEO No 96/2012, actions for more effective coordination and management of structural instruments were carried out at central public administration level, the most important measure consisting in the setting up of the MFE.

The new approach of MFE is to work closely with management authorities and to ensure the necessary support to solve problems. Institutional changes undertaken in the management system of structural and cohesion funds, especially the establishment of the management authorities/intermediate bodies in the new ministerial structures, were carried out smoothly, without affecting their functioning.

By March 15<sup>th</sup>, 2013, the payments to the beneficiaries reached approximately 5.2 billion Euro, representing around 24.48% of the EU allocation for 2007-2013, while the intermediary reimbursements from the European Commission reached 2.46 billion Euro, which represents an absorption rate of 12.82%. Between July and October 2012, no payment claims have been sent to the European Commission for four Operational Programmes (*Regional Operational Programme*, *SOP Environment*, *SOP Transport* and *SOP Increase of Economic Competitiveness*). In November - December 2012, the transmission of expenditure statements to the European Commission was resumed for these programs, which allowed the minimization of decommitted amounts at the end of 2012.

In August 2012, the European Commission pre-suspended the *SOP Human Resources Development* (SOP HRD). As a result of corrective measures taken by the Romanian authorities, payments were resumed in February 2013, and the EU funds attracted by Romania increased to 410.4 million Euro.

As a result of pre-suspension (in October 2012) of three Operational Programmes (*SOP Transport*, *Regional Operational Programme* – partially and *SOP Increase of Economic Competitiveness* – totally), a number of action plans to address existing deficiencies are currently under implementation.

### 3. IMPROVING THE BUSINESS ENVIRONMENT

To **improve the business environment**, the *Government Programme 2013-2016* foresees tax incentives for job creation, measures for the strengthening of the guarantee and of the counter-guarantee instruments, as well as renewed commitments for financing the innovative projects of small and medium-sized enterprises (SMEs), by creating a venture capital fund and a network of business angels, as national alternatives to the JEREMIE Initiative.

For **cutting red tape**, the involved institutions are committed to finalize the assessments of administrative costs and to implement the simplification plans, as soon as possible. In 2012, two projects funded by ESF for the fields in the responsibility of MSI, ME, MDRAP and MAI were completed, for which 1,144 information obligations were identified and validated by business associations totalling administrative costs of 171.5 million Euro. Other six projects to measure administrative costs and to identify administrative burden are under implementation. For three of these projects (for areas managed by MFP, MADR and MT), which are going to be completed in July 2013, 1,369 (primary) information obligations had been identified and validated by business associations until March 15<sup>th</sup>, 2013. The rest of three projects (for areas managed by MMFPSPV, MS, MEN, MMSC and MJ) will be completed in March 2014, 1,039 information obligations being identified and validated by business associations until March 15<sup>th</sup>, 2013.

In order to **improve the framework conditions for the functioning of SMEs**, a draft law for amending and completing the existing regulatory framework for SMEs (the *Law No 346/2004*) according to the *Small Business Act* principles has been elaborated. **The on-line filing of tax declarations was expanded** for another 12 statements, namely the fiscal statements that establish payment obligations, the income statements and the informative fiscal statements. The system is available to all categories of taxpayers. 25 operational procedures in the custom field were simplified.

In June 2011, the *Mihail Kogalniceanu Programme* became operational, in order to **improve access to finance for SMEs** (the total value of subsidies granted amounted to 18 million Lei for 2,406 SMEs credit contracts). Starting December 2012, within the programme, the interest rate for banking loans has been fully subsidized and the credit ceiling has been increased at the maximum of 400 Lei/SME/year; the guarantee has been increased up to the maximum 80% from the loan amount. In July 2012, the National Guarantee Credit for SME diminished the fees charged to SMEs with about 0.5 percentage points (pp), in order to facilitate the access to guarantees. The SMEs access to guarantees and risk capital funds were supported through the JEREMIE initiative (1,000 guarantees were granted, amounting 128 million Euro, and three projects are under evaluation process by Calyst Capital Risk Fund).

The State Budget supports business investment projects proposed by enterprises, especially by SMEs through the State Aid schemes implemented by MFP and ME. Since 2013, Romania supports from the State Budget the investment projects of enterprises aimed at introducing new technologies and creating new jobs by using highly skilled labour force in the field of ICT and RDI.

In addition, for the **consolidation of the industrial base**, the Romanian model of the innovative cluster (the *four leaves clover*) was defined and **investment projects for the modernization of technologies and industrial process submitted by enterprises from industry and services sectors** were financed through ERDF<sup>5</sup> (1,353 projects were completed and 7,923 new jobs were created). Projects on **setting-up/development of business structure** (8 projects were completed through which 723 new jobs were created and 104 projects were contracted through which 13,184 new jobs will be created) and **the competitiveness poles and clusters** (22 integrated projects of competitiveness poles were selected for the next phase of evaluation and financing of clusters will be implemented) were also financed.

## **D. PROGRESS TOWARDS REACHING EUROPE 2020 NATIONAL TARGETS**

### **1. EMPLOYMENT**

#### **2020 national target: the employment rate for the age group 20-64 - 70%**

In 2012, according to INS data, the employment rate (age group 20-64) was of 63.8%, increasing by 1 pp as compared to the previous year. The employment rate (age group 20-64) was 6.2 pp below the national target.

According to INS data, in 2012, the youth employment rate (age group 15-24) reached 23.9%.

In order to **fight illegal work**, IM has implemented the *Framework action programme*. According to the data registered by the IM, 5,561,673 labour agreements were recorded in the *General Electronic Register of the Employees* (out of which 443,476 were fixed-term contracts – 7.97%), by March 12<sup>th</sup>, 2013.

The measures dedicated to **render more flexible the employment procedures in case of the day labourers** focused on implementing the provisions of the *Law No 52/2011 on activities provided occasionally by the day labourers*. By March 12<sup>th</sup>, 2013, according to the data registered by the IM, the number of day labourers increased to 362,623 people as compared to 333,737 persons in December 2012.

In the context of the **reform of the social dialogue legislation**, the Romanian Government adopted the *Law on organizing the Economic and Social Council* in March 2013. The draft law eliminated the misinterpretations related to the appointment procedure of the representatives of the trade unions and employers' organizations, and the provisions on the attributions and the revocation procedure of the Council president were reformulated.

<sup>5</sup> European Regional Development Fund

In order to **increase the labour market participation** of the low-earners, the Ministry of Labour drafted the *GD No 23/2013 on minimum gross wage*. This measure would have a spill-over effect on addressing the social inequities and in-work poverty mitigation. According to the law, the minimum wage increased in two stages, namely, up to 750 Lei/month beginning on February 1<sup>st</sup>, 2013, and the second one, up to 800 Lei/month beginning on July 1<sup>st</sup>, 2013. According to the estimations, 436,361 people are to benefit by the first wage increase and 677,267 persons by the second one.

In order to **facilitate the transition from unemployment or inactivity to employment**, the Unemployment Insurance Budget (UIB) financed active employment measures for 1,761,784 persons, out of which 689,623 persons were employed, by the end of December 2012. By subsidizing employers, about 49,126 persons belonging to disadvantaged groups were employed; 3,095 persons concluded solidarity contracts according to the provisions of the *Law No 116/2002 on preventing and mitigating the social exclusion*. Complementary, ESF financed 405 projects of active employment measures<sup>6</sup>. According to the data reported by the beneficiaries, 64,702 persons (out of which 31,480 women and 17,791 young people) participated in these programmes, by March 2013.

Measures financed under European Agricultural Fund for Rural Development (EARDF) have a direct impact on the labour market and ensure the additional revenues for the residents living in rural areas. In order to **increase the employment quality for persons living in the rural area**, 23,782 farmers attended the training courses, and 9,524 young persons benefited by the financial support granted to set up young farmers, by March 15<sup>th</sup>, 2013. EARDF financed investments in non-agricultural activities and tertiary sector. By March 15, 2013, about 7,360 jobs were created/preserved after the completion of 1,231 projects aiming at setting up micro-enterprises in non-agricultural activities; other 313 jobs were created/ preserved by completing 48 projects financing investments in tertiary sector. Complementary, ESF financed 284 projects supporting the **long-term sustainability of the rural areas**<sup>7</sup>. By March 2013, according to the data reported by the beneficiaries, 60,731 persons attended vocational training and entrepreneurship programmes and they benefited by professional counselling and job placement services.

In order to **improve the vocational skills of the labour force**, as a result of the implementation of the *Programmes of continuous vocational training (CVT) for jobseekers* financed by UIB, 91,670 persons participated in training courses, out of which 33,933 persons were employed. Complementary, ESF provided funding to improve the workers' adaptability<sup>8</sup>. By March 2013, according to the data reported by the beneficiaries, 154,832 workers participated in CVT programmes, out of which 89,686 women.

As regards the **integration of the young people into the labour market**, the consolidated State Budget financed programmes dedicated to improve youth entrepreneurial skills and set up of micro-enterprises by young entrepreneurs, so that 8,000 new jobs were created and the young entrepreneurs set up 464 start-ups.

In 2012, the Ministry of Labour elaborated the *National plan to stimulate youth employment – 2013*<sup>9</sup>. The measures focused on implementing *youth guarantee* type programmes<sup>10</sup>, improving the entrepreneurial culture among youth and SMEs developing, and adapting education and vocational training to the labour market requests, as well. European Social Fund, Unemployment Insurance Budget, and State Budget provided funding to **facilitate youth transition from school to labour market** through mobility bonuses, job subsidies, professional guidance and entrepreneurship counselling, business simulation, apprenticeship at work, higher graduates' traineeships, partnerships between schools, universities, and companies and other organizations, and monitoring the labour

<sup>6</sup> SOP Human Resources Development – KAI 5.1. *Developing and implementing active employment measures*

<sup>7</sup> SOP Human Resources Development – KAI 5.2. *Promoting long term sustainability of rural areas in terms of human resources development and employment*

<sup>8</sup> SOP Human Resources Development – KAI 2.3. *Access and participation in CVT*; KAI 3.1. *Promoting entrepreneurial culture*; KAI 3.2. *Training and support for enterprises and employees to promote adaptability*

<sup>9</sup> According to the Conclusions of the European Council (28/29 June 2012)

<sup>10</sup> Proposal for a Council Recommendation on Establishing a Youth Guarantee (COM (2012)729 final)

market insertion of the young graduates. The plan is currently subject to the inter-ministerial approval procedure.

In addition, the Ministry of Labour drafted the *Law on traineeships for the higher education graduates* aiming at ensuring both the social security and on-the-job training for youth. The law is currently subject to the inter-ministerial approval procedure.

Within the national flexicurity approach, in the year 2012, the activity focused on strengthening the third pillar of flexicurity, namely on improving the active labour market measures to reduce the risk of long-term unemployment.

The **reform of the legal framework on employment stimulation and adult training** aimed at amending the *Law No 76/2002 on unemployment insurance system and the employment stimulation*. The draft law includes new measures regarding the free assessment of non-formal acquired skills, mobility bonuses for long-term unemployed, reduced conditionality for companies hiring unemployed belonging to vulnerable groups<sup>11</sup> and young graduates, job subsidies for unemployed who are five years up to the anticipated or standard retirement age and for young people at risk of social exclusion.

The Ministry of Labour drafted the *Law No 279/2005 on apprenticeship at work*. In December 2012, the Romanian Government approved both these draft laws and submitted them to the Parliament.

## 2. RESEARCH, DEVELOPMENT AND INNOVATION

**2020 national target: gross expenditure on research, development and innovation (RDI) = 2% of GDP (1% of GDP - public sources and 1% of GDP – private sources)**

In 2011, the gross expenditure on RDI reached 0.48% of GDP (0.31% of GDP – public sources and 0.17% of GDP – private sources).

Based on the preliminary budget execution, MEN estimated the level of public investment in RDI at 0.26% of GDP for 2012<sup>12</sup>.

For **increasing the performance of the RDI system**, the *evaluation, classification and certification of public R&D institutes*, as well as the implementation of projects for *developing the technology base and human resources for research* continued during 2012. As a result, 32 out of 47 national R&D institutes have been evaluated and classified, according to the revised legislative framework<sup>13</sup>, all being granted the A category, so that all can be certified in order to receive basic institutional funding.

For *developing human resources for research*, over 300 million Lei was spent for supporting more than 500 projects for post-doctoral and exploratory research. Following the 2012 call for proposals, over 1,600 projects have been selected for support under the programmes *Ideas* and *Human Resources* of the *National RDI Plan 2007-2013*.

The *technology base for research* continued to be developed by finalizing 20 infrastructure projects (9 belonging to the public sector and 11 to the private sector), out of which 6 are large scale R&D infrastructures (amounting over 30 million Lei each).

**The development of the National Strategy for RDI 2014-2020** and of the **National RDI Plan 2014-2020** started in June 2012. The awarding contract for the project aimed at developing the two documents was signed in December 2012. The *National Strategy for RDI* will strongly focus on innovation issues and will include a component dedicated to *smart specialization*. In this respect, the project for *Identifying the sectors with comparative economic advantages and growth potential based on RDI*, developed with JASPERS support, aims at identifying the expertise fields of the RD activity (the supply-side of research) and the economic sectors having competitive potential (the demand-side

<sup>11</sup> Vocational training services dedicated to detainees having no more than 12 months to serve their terms.

<sup>12</sup> At this point, data for private expenditure on RDI in 2012 is not available.

<sup>13</sup> *GO No 6/2011 amending and supplementing GO No 57/2002 on scientific research and technological development*, which introduced a new system of institutional funding, in correlation with a new system of assessment, classification and certification of R&D organizations.

of research). The study was conducted during November 2012 - February 2013 and will be published at the end of Q2/2013.

The conclusions of the *Report on the Mid-term evaluation of the National Strategy for RDI 2007-2013 and of the National RDI Plan 2007-2013* (published in February 2012) and the results of the project for *Developing the capacity of ANCS to elaborate public policies in the field of innovation and technological transfer* (concluded in November 2012) will be considered in the development of the *National Strategy for RDI 2014-2020*.

The main problems identified in the *Report on the Mid-term evaluation of the National Strategy for RDI 2007-2013 and of the National RDI Plan 2007-2013* refer to the large number of the priorities addressed, the rapid pace of changes in implementing the plan and the complexity of the evaluation criteria, which made it difficult to be applied. The conclusions of the report underline the need to correlate the national R&D policy with the sectoral policies, in order to stimulate the technological development and the innovative potential at sectoral level.

The implementation of the project for *Developing the capacity of ANCS to elaborate public policies in the field of innovation and technological transfer* opened new opportunities for collaboration between the business environment and the academic and administrative ones and led to establishing a new national standard for technological transfer, as well as an IT platform for collecting data and providing relevant statistics on innovation and technological transfer.

For **stimulating private investments in R&D**, more than 800 companies involved in public-private partnerships were financially supported under the *National RDI Plan 2007-2013* or under SOP *Increase of Economic Competitiveness*. In 2012, the *innovation voucher* became operational and, by March 2013, 148 vouchers (amounting 6.15 million Lei) were released. Furthermore, for the R&D activities, the amendments to the *Fiscal Code* establish the increase of the additional deduction from 20% to 50% of the eligible expenses.

**The European dimension of RDI** continued to be developed by ensuring the financing of over 450 projects with Romanian participation and by carrying out activities for implementing the two strategic projects – *Extreme Light Infrastructure (ELI)* and *International Centre for Advanced Studies Danube - Danube Delta - Black Sea*. In 2012, the European Commission approved the financial support for developing the first phase of the ELI project and the public procurement procedure for construction works was launched. As regards the *International Centre for Advanced Studies Danube - Danube Delta - Black Sea*, during 2012, three public debates for establishing the structure, the activities, the governance and the financing of the future centre have been organised. As a result, the fifth version of the *White Book* on the scientific fields, which will be approached within the centre, was developed.

### 3. CLIMATE CHANGE

#### **2020 national target: reduction of greenhouse gas emissions (GHG) by 20% as compared to the reference year 1990**

The total of greenhouse gas emissions (excluding LULUCF<sup>14</sup>) decreased by 51.84% between 1990 and 2011, a better value than the minimum reduction of greenhouse gas emissions established for Romania for 2020.

Romania continued to apply the **policies aiming at reducing the greenhouse gas emissions and promoting renewable energy sources for energy production**. In 2012, 40 projects contributing to the increase of the share of energy from alternative, clean and without GHG emissions sources were approved. 15,590 natural persons and 195 legal persons received public funds for the installation of new systems for energy production from alternative sources and free of GHG emissions. Under the *European Economic Recovery Plan*, 595 projects involving the energy production from renewable sources, tackling climate change, and management of water resources were signed. Under the SOP

<sup>14</sup> LULUCF - Land-Use, Land-Use Change and Forestry

*Environment*, seven projects for upgrading large combustion plants and stimulating energy production from clean sources (with a total value of 2.03 billion Lei) are under implementation.

In order to **improve resource consumption and reduce GHG emissions in the transport sector**, actions were taken for modernizing the road transport. During 2012, 426 hybrid vehicles and 62 electric vehicles were registered in the Romanian Auto Registry and, in Q1/2013, 123 identity cards were released for hybrid passenger cars. By implementing the *Rabla Programme*, over 600 million Lei was spent for the vehicle park renewal.

In Romania, a demonstrative project on the **carbon capture and storage (CCS)** - GETICA CCS is implemented. NER 300 financing mechanism (phase 2) shall be used for the execution works of this project. Under this project, seven major areas of potential geological storage of CO<sub>2</sub> were identified in Romania: Moldavian Platform, Scitica Platform, North Dobrogea Orogen, Moesian Platform, Getic Basin, Pannonian Basin, and Transylvanian Basin.

In 2012, Romania had a consistent campaign of **afforestation, in order to mitigate the effects of climate change and to absorb carbon dioxide from the atmosphere**. Thus, 11,791 ha were afforested and forest plantations were established on 11,714 ha. 810.7 ha were afforested through 29 projects financed from the *National Rural Development Programme* and other 1,735 ha of degraded land were afforested using the *Environmental Fund* financial support. ROMSILVA - National Forest Administration forested only 19 ha of degraded land.

#### 4. RENEWABLE ENERGY SOURCES

**2020 national target: the share of energy from renewable sources (RES) in the gross final energy consumption - 24%**

Based on the data published by INS, a value of 20.79% was estimated<sup>15</sup> for the share of energy from renewable sources in the gross final energy consumption, in 2012. This value is practically the same with that registered in 2011 (20.82%)<sup>16</sup>.

In order to reach the national target, progress has been made in implementing the **green certificates scheme**. Between January 1<sup>st</sup>, 2012 and March 10<sup>th</sup>, 2013, 1,584.8 MW were newly installed, the total power installed in plants benefiting from the scheme being of 2,673 MW.

The **legislative framework** has been revised by adopting the *Law No 134/2012*<sup>17</sup> that brought a series of changes: supplementing the number of green certificates for the biomass coming from forestry wastes; amending the rule of green certificates cumulation; penalties reduction and changing the destination of penalties fund; changes in the modalities to apply the adjustment measures for the number of certificates in the case of overcompensation at the producer level.

Progress has been also made in financing **investments** through the *Environmental Fund*. By March 15<sup>th</sup>, 2013, in the framework of the *Green House Programme*, 18,073 households and 196 legal bodies were supported to install heating systems using renewable sources. 40 projects continued also to be financed in the framework of the *Programme for increasing the energy production from renewable sources*. These projects will contribute in achieving new heating systems with a power of 185.3 MW.

**Investments in modernizing and achieving new capacities** for electricity and heat production using renewable energy continued to be promoted through the *SOP Increase of Economic Competitiveness*. Supplementing by 200 million Euro the budget of the *Key Area of Intervention 2*<sup>18</sup> required the modification of the legal act for the approval of the state aid scheme. *GD No 248/2012 on modifying and completing the GD No 750/2008 for the approval of the regional state aid on valorisation of RES* was adopted in this respect.

<sup>15</sup> Source: ME

<sup>16</sup> Source: INS

<sup>17</sup> Law No 134/2012 approves GEO No 88/2011 on amending and completing the *Law No 220/2008 on establishing the system to promote energy production from RES*

<sup>18</sup> *Valorisation of renewable energy resources for producing "green" energy*

In order to fulfil the requirements of the Directive 2009/28/EC on the promotion of the use of energy from renewable sources, methodological support for the elaboration of the **occupational standards for installers** is currently provided by the technical assistance contracted under the *Intelligent Energy Europe Programme*. The occupations of geothermal installer (code 712615) and heat pump installer (code 712614) were incorporated in the Classification of Occupations in Romania.

## 5. ENERGY EFFICIENCY

### **2020 national target: reduction of 10 Mtoe (19%) in the primary energy consumption**<sup>19</sup>

For 2012, a reduction of 7.3 Mtoe (16.6%) in the primary energy consumption - as compared to PRIMES 2007 projection – was estimated by ME.

In order to reach the national target, the main actions focused on implementing the financial instruments dedicated to increasing the energy efficiency.

Between April 1<sup>st</sup>, 2011 and December 31<sup>st</sup>, 2012, 36 companies benefited from the **state aid support scheme to promote high efficiency cogeneration**, the total amount spent as *bonus* being of 1.52 billion Lei.

In order to promote the energy efficiency in the process of public procurement, the *Guide in the field of IT procurement* was presented in a conference organised in Brasov. Possible implications of the new Directive on energy efficiency were debated in a workshop organised in Bucharest.

In the framework of the *Programme District Heating, Heat and Comfort*, 31.2 million Lei from the State Budget and 28.98 million Lei local contribution was spent in 2012, for the **rehabilitation of centralized district heating** systems.

The actions undertaken for the **thermal rehabilitation of buildings** have been also continued. In the framework of the *Programme for rehabilitation of multi-storey family buildings*, payments amounting 154.53 million Lei were made for 956 multi-storey family buildings (42,085 apartments). Works reception was made to a number of 568 multi-storey buildings (21,231 apartments) out of the total multi-storey family buildings financed.

In order to support **investments in facilities and equipment** which lead to energy savings in industrial enterprises, in the framework of *SOP Increase of Economic Competitiveness*, 23 contracts amounting to 495.2 million Lei were signed by March 15<sup>th</sup>, 2013. Currently 6 projects are in the contracting phase.

## 6. EDUCATION

### 6.1 EARLY SCHOOL LEAVING

#### **2020 national target: reducing early school leaving (ESL) to 11.3%**

ESL rate increased in Romania from 16.6% in 2009 to 18.4% in 2010; it decreased by 1 p.p. down to 17.5% in 2011, and 17.4% in 2012<sup>20</sup>.

**To prevent and combat ESL and to support re-enrolment in school**, MEN carries on its **yearly social support programmes** which, despite budgetary austerity, are conceived to assist students from disadvantaged areas - i.e. *School supplies*<sup>21</sup>, *Money for High-school*<sup>22</sup>, *Euro 200*<sup>23</sup>, the *Croissant and*

<sup>19</sup> When establishing the 2020 national target for energy efficiency, the estimate for 2020 primary energy consumption (achieved according to PRIMES 2007 model) was taken into consideration.

<sup>20</sup> Source: INS, provisional data

<sup>21</sup> Granting school supplies for pupils enrolled in state primary and low-secondary education - daily-classes, who are supported by families whose average net income per family member is of maximum 50% of national minimum gross salary per family member.

<sup>22</sup> Monthly scholarship (allowances) for students from social and economic disadvantaged families in order to continue their studies after completing low-secondary education.

*milk*<sup>24</sup> programme and programmes designed to ensure the transportation of students and pupils i.e. *Reimbursement of travel expenses* and *School shuttles*.

Through the *Law on National Education*, **programmes with direct implications on preventing and combating ESL**, namely *School after School*<sup>25</sup>, *Second Chance*<sup>26</sup> and *Functional Literacy*<sup>27</sup> are foreseen. MEN developed and adopted the implementation methodologies for the *Second Chance* programme (for the primary and lower secondary education levels) and *School after school* programme (implemented based on the decision of each school board). Moreover MEN elaborated the implementation methodology for the *Functional Literacy* programme (the latter by means of a project funded by ESF – *SOP Human Resources Development*).

Efforts were made in **reforming early education** and an agreement on the **preparatory class** was reached by MEN and stakeholders in education in January 2013. Thus, the preparatory class for children aged 6 is maintained within the compulsory primary education but its management is flexible<sup>28</sup>.

At the beginning of the school year 2012-2013, MEN started the **implementation of some priority actions for the entire primary and secondary education levels, aiming at increasing access of all children to quality education and raising school attainment rate**. The ministry notified schools to apply *initial assessment tests for students* at the beginning of the school year, and to take remedy actions conceived to foster school attainment and issued a *framework programme to county school inspectorates* to be detailed at local level (i.e. county, school and teacher levels) and which is designed to improve the results of national evaluation exams. MEN asked for a smooth implementation, appropriate monitoring of this programme and corrective actions taken at local level if needed.

In the school year 2012-2013 the ministry **re-launched the 2 years Vocational Education and Training (VET)** system based on contracts concluded with business enterprises/public bodies, the latter providing internships for VET students. By GD No 106/2012 the students are granted monthly scholarships (approx. 45 Euro/student). Roughly 12,500 students enrolled in the current VET school year).

The development of the *National Strategy on Reducing Early School Leaving* has been re-launched. MEN is currently elaborating the terms of reference for the development of the strategy through a Technical Assistance project (*SOP Human Resources Development*, Priority axe 7). This strategy is an *ex-ante* conditionality for the conclusion of *Partnerships Agreement* for the next generation of operational programmes related to the 2014-2020 Multi-annual Strategic Framework.

## 6.2 INCREASING THE SHARE OF POPULATION AGED 30-34 WITH TERTIARY EDUCATION LEVEL OR EQUIVALENT

### **2020 national target: share of population aged 30-34 years with tertiary education level - 26.7%**

The share of population aged 30-34 years with tertiary education level recorded in the past years, a substantial increase, ranging from 16% in 2008 to 20.4% in 2011 and reaching 21.8% in 2012<sup>29</sup>. It is noticeable that Romania has already surpassed the intermediary target of 21.3% proposed initially for the year 2014.

<sup>23</sup> Financial aid granted in order to stimulate purchase of personal computer by pupils and students from social and economic disadvantaged areas.

<sup>24</sup> Free meal granted for all pupils in early, primary and lower secondary education.

<sup>25</sup> Providing educational and leisure activities for consolidating the knowledge gathered in school or speeding-up learning as well as remedial education activities outside classes.

<sup>26</sup> This programme targets the persons who overcome by 4 years the age corresponding to the grade they should be enrolled in and who, irrespective of reasons, have not graduated the primary or lower - secondary education.

<sup>27</sup> The programme addresses those holders of legal documents formally proving their education level but who are not actually endowed with genuine education skills.

<sup>28</sup> Classes can take place in kindergartens and schools, depending on school infrastructure conditions at local level but with the same curricula and teachers qualified for primary education level.

<sup>29</sup> Source: INS, provisional data

In the context of the *Law on National Education*, the **higher education reform measures** foreseen in NRP aimed at **adapting higher education to labour market needs and increase access to tertiary education**. To this end, MEN increased its efforts to **modernize the higher education qualifications system** (the *National Qualifications Framework in Higher Education*<sup>30</sup> was completed and 573 qualifications were described in terms of competences), and to **ensure correlation with labour market requirements** and the **European Qualification Framework for Higher Education**. The *National Qualifications Framework in Higher Education* will be integrated in the *National Qualifications Framework* (NQF); the latter is under elaboration and will be adopted by GD.

**In order to monitor the higher-education graduates' insertion on labour market** – the *National Study of Monitoring the Labour Market Insertion of Higher Education Graduates* also known as *University Graduates and Labour Market – Romanian Tracer Study* is being implemented<sup>31</sup>, and a *National Forecast and Statistics Council in Higher Education* was founded and its internal regulations were approved.

There are being implemented **social scholarships and programmes** for students and through which the state supports students' transportation, meals and accommodation; 564 distinct vacancies for Roma candidates were foreseen in state universities in the 2012-2013 academic year.

**Efforts are being made by MEN to re-launch the development of the National Lifelong Learning Strategy** by means of an EU funded project for which the terms of references are currently being elaborated. The strategy will be elaborated by January 2014.

The *National Strategy on the Tertiary Education* will be developed in the same manner as the *National Lifelong Learning Strategy* since both strategies are ex-ante conditionalities for the conclusion of Partnership Agreement for the next generation of operational programmes related to the *2014-2020 Multi-annual Strategic Framework*.

## 7. REDUCTION OF POVERTY

### 2020 national target: reducing by 580,000 the number of people at risk of poverty and social exclusion as compared to the year 2008

The data published by Eurostat indicated a slight improvement of the percentage of people at risk of poverty after social transfers, reaching the level of 22.2% in 2011, as compared to 23.4% in 2008. Therefore, for the year 2011, the reduction of the number of people living in poverty is of 240 thousand persons as compared to the year 2008.

According to Eurostat, in the year 2011, the percentage of people living in households with very low work intensity was of 6.7%, and the percentage of the severely materially deprived people was of 29.4%.

In the context of **social assistance system reform**, subsequent to the *Law No 292/2012 on social assistance*, Ministry of Labour drafted the *Law No 197/2012 on quality in social services* regulating the assessment and monitor of the quality assurance system in social services.

In December 2012, the Romanian Government approved the draft *Law on subsidising the social services provided by associations, foundations and religious cults recognized by law*. The draft law regulates the subsidies granted to the associations, foundations and religious cults recognized by law by the State and local budgets for the social services set up in rural communities and in towns up to 10,000 inhabitants. In April 2013, the law is currently subject to the parliamentary debate.

Considering that the high poverty rate and the under-employment led to an increased risk of social exclusions, Romania aims at **improving the access of the social disadvantaged groups to the basic**

<sup>30</sup> [www.mecis.ro](http://www.mecis.ro)

<sup>31</sup> A pilot-survey was implemented in 2 stages in 55 universities, encompassing 39,293 graduates from the 2005-2008 batches of graduates, and 9,294 graduates from the 2006-2010 batches of graduates. Currently measures are scrutinized to ensure the sustainability of the study in order that the tools this project has developed be used to carry-out some similar monitoring surveys in the future.

**social services.** In 2012, in order to support the poorest families with children (with very low income), the Romanian Government granted the complementary family allowance and allowance for supporting the single parent family. About 306,438 families have benefited monthly by the complementary family allowance<sup>32</sup> provided that the children attended the school.

In order to **increase the quality of social services of children in special protection**, Ministry of Labour financed a programme aiming at setting up the rehabilitation centres and family houses and/ or flats. In this respect, Ministry of Labour financed the purchase of eight flats accommodating 48 children. The flats were funded under several projects submitted by the General Social Assistance and Children Protection Departments – Districts 3 and 5 in Bucharest. In addition, the General Social Assistance and Children Protection Departments concluded the building contracts for the family houses located in Suceava and Harghita counties.

In order to improve the **social integration of disabled children/ youth**, a project<sup>33</sup> aiming at assuring affordable medical care services is currently under implementation. A national network consisting of 40 counselling centres for children/ young people suffering from autistic spectrum disorder was set up, 588 physicians and psychologists benefited by vocational training, and 568 persons have benefited by dedicated services and client-tailored programmes in order to be socially integrated.

In order to **prevent the school drop out among children belonging to disadvantaged socio-economic groups**, a project<sup>34</sup> aiming at providing educational services for these children is currently under implementation. The project financed the setting up of 32 school training centres for inclusive education and 3,437 pupils from disadvantaged socio-economic communities benefited by “school after school” and “second chance” programmes.

A project<sup>35</sup> aiming at **setting up the standardized public day-care system for children** is currently under implementation. In 2012, more than 550 persons attended the training courses to be qualified as babysitters. During February-March 2013, other 700 women participated in training courses in order to become babysitters.

The ERDF financed several projects aiming at **improving the quality of social infrastructure<sup>36</sup>, rehabilitating the health care infrastructure<sup>37</sup>, purchasing equipments for the operational units for public safety interventions in emergency situations<sup>38</sup>, rehabilitating the pre-university, university education and training infrastructure<sup>39</sup>.**

By February 28<sup>th</sup>, 2013, the financial interventions ensured the rehabilitation of 16 health care units and 44 residential social centres. About 7,474 persons benefited by the social services provided by these social centres.

In order to assure the appropriate conditions for public education, ERDF financed the rehabilitation of 50 pre-university units, a pre-university campus, and a university campus. About 80,389 pupils and 8,596 students are to benefit by the rehabilitation of the education infrastructure (out of which 23,190 pupils and 450 students are already benefiting by the rehabilitated infrastructure).

In order to improve the quality of medical care assistance, for 88 mobile units for safety interventions in emergency situations were purchased equipments.

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<sup>32</sup> The amount depends on the number of the family members and the family revenues. For instance, for the single parent family the allowance ranges from 50 Lei for a family with one child up to 200 Lei for a family with four children or more.

<sup>33</sup> Project implemented by the Romanian Angel Appeal Foundation

<sup>34</sup> Project implemented by Organization Save the Children Romania

<sup>35</sup> Project implemented by the Romanian Angel Appeal Foundation

<sup>36</sup> Regional Operational Programme – KAI 3.2. *Rehabilitation, modernization, development and equipment of the social infrastructure*

<sup>37</sup> Regional Operational Programme – KAI 3.1. *Rehabilitation, modernization and equipment of the health service infrastructure*

<sup>38</sup> Regional Operational Programme – KAI 3.3. *Improving the equipments of the operational units for public safety interventions in emergency situations*

<sup>39</sup> Regional Operational Programme – KAI 3.4. *Rehabilitation, modernization, development and equipment of the pre-university, university and continuous vocational training infrastructure*

The ESF financed 52 projects aiming at developing the profit-making activities and services to help people at risk of social exclusion to integrate or integrate into the labour market. By March 2013, the outcomes of the *active inclusion programmes* are slightly improved as compared to December 2012. In order to **facilitate the access of persons belonging to vulnerable groups to the labour market**<sup>40</sup>, 22,718 persons participated in professional qualifications programmes, out of which 1,954 Roma people, 1,851 disabled persons, 2,004 drugs or alcohol - addicted persons, and 182 young people leaving the public child-care system.

**MS continued the national healthcare system reform.** In order to **improve the access of vulnerable groups to health care services**, the implementation of national programmes in this field has continued. By March 15<sup>th</sup>, 2013, 654,791 retired persons (with low income - less than 700 Lei/month) have benefited by the *Programme compensating the reference price of the drugs by 90%*.

The legislation regulating the multifunctional centres has been approved by the Romanian Government, and the **primary and ambulatory care system was extended** by setting up 9 multifunctional centres and 259 permanence centres.

In order to **render the healthcare system more efficient**, the *Information System for National Health Card* and the *E-prescribing* programmes were implemented, and the programmes for the *National Health Card* and the *Electronic health record of patient* are currently under implementation. The project *Application of decentralization process in health system* was finalized in advance, and 465 hospitals were classified in view of the future reorganization of hospitals activity. The number of beds from public and private hospitals was reduced as a result of implementing the *National plan of beds for period 2011-2013* leading to a total of 123,127 beds - 5.72 hospital beds per 1,000 people, close to the European average of 5.61 hospital beds per 1,000 people.

As regards the **modernization of the transport infrastructure of the health service providers**, MS purchased 257 ambulances and 3 helicopters.

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<sup>40</sup> SOP Human Resources Development - Priority Axis 6 Promoting social inclusion