Issue Monitoring

Weekly Report - NRRP and EC Priorities

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National Recovery and Resilience Plan

C1. Water management

No relevant updates.

C2. Forests and biodiversity protection

LAW ON REFORESTATION. After being adopted by the decisional chamber of the Parliament last week, the Law regarding the national reforestation campaign was signed into law by the President of Romania and published in the Official Gazette. This Law approves GEO no. 177/2022, which entered into force since December 2022, through which, according to the NRRP, Romania must reforest an area of 56,700 ha, until 2026.

C3. Waste management

No relevant updates.

C4. Sustainable transport

No relevant updates.

C5. The Renovation Wave

No relevant updates.

C6. Energy

No relevant updates.

C7. Digital transformation

IT APPLICATIONS FOR EU FUNDS. The draft bill approving GEO 172/2022, which aims to develop the MySMIS2021/SMIS2021+ IT system and the MySMIS2021 and SMIS2021 IT applications for the management of non-reimbursable financial assistance for the 2021-2027 financial period was adopted by the Chamber of Deputies (decisional forum). Next, it shall be signed into law by the President of Romania.

C8. Tax reform and pension reform

BID ESTABLISHMENT. In the meeting of November 16, the Government adopted a draft decision establishing the Bank for Investment and Development, 100% owned by the state through the Ministry of Finance. The bank will be able to support and provide technical assistance to support the economic development of Romania and the eligible beneficiaries identified on the basis of ex-ante evaluations regarding market deficiencies. After adoption, the decision will be soon published in the Official Gazette.

THE NEW PENSION LAW. The draft bill on the reform of the public pension system was adopted by the Senate and sent for debate to the Chamber of Deputies. The reform provided by this normative act is in line with Component 8 of the NRRP and aims to regulate a calculation formula based on the number of points achieved by each beneficiary, according to the principle of contribution. At the same time, the standard retirement age for both women and men will be 65 years, the minimum contribution period 15 years, and the full contribution period 35 years. It is expected that next week the Chamber of Deputies to adopt the draft bill, then the President will sign it into law.

MULTIANNUAL BUDGET PLANNING. Law no. 345/2023 which establishes the budget programming mechanism for significant public investment projects has been published in the Official Gazette on November 13. The normative act is in accordance with Component 8 of the NRRP and aims to update the principles and criteria underlying the prioritization of new and further significant public investment projects, the calendar of the prioritization process, as well as the classification of public investment projects according to the total value estimated.

C9. Support for the private sector, research, development, and innovation

No relevant updates.

C10. The local fund

No relevant updates.

C11. Tourism and culture

PROFESSIONAL STATUS OF PROFESSIONAL CULTURAL WORKERS. Adopted by the MPs, Law nr. 346/2023 for the approval of the GEO no. 21/2023, which establishes the procedures for regulating the professional status of professional cultural workers on the labour market in Romania, was published in the Official Gazette.

C12. Health

No relevant updates.

C13. Social reforms

PREVENTING THE SEPARATION OF THE CHILD FROM THE FAMILY. Law no. 156 /2023 on the prevention of the separation of the child from the family will be supplemented by a draft emergency ordinance adopted by the Government on November 16. The normative act aims to reduce by 25% the budget for the financing of licensed day care centers intended to prevent the separation of the child from the family if children who have the domicile or the

residence in the territorial administrative unit where the center is based. Certain special protection measures will be established for these children. After adoption, the emergency ordinance shall be published in the Official Gazette and sent to the Parliament for debate.

C14. Good governance

THE MANAGEMENT OF HUMAN RESOURCES IN PUBLIC SECTOR. Adopted by the Parliament, Law no. 348/2023 approving GEO 191/2022, which provides for an efficient management of human resources in the public sector, in accordance with NRRP, was published in the Official Gazette. For example, the new provisions establish a unitary competency-based approach for public functions and types of positions in public administration, with the aim of harmonizing, clarifying, and facilitating the coordination of human resources processes. Additionally, the new framework of general competencies includes 5 categories of general competencies and uses 4 levels of complexity of general competencies, respectively: elementary, operational, extended, and strategic. For the unitary verification of general competencies, a scoring system was regulated on a scale from 1-5, based on the observation of behavioural indicators related to the level of complexity of the competence. And finally, the new legislation regulates rules for the evaluation of the professional performances of senior civil servants, as well as of leading and executive civil servants who hold public positions.

PUBLIC ENTERPRISES' CORPORATE GOVERNANCE. Recently, the General Secretariat of the Government issued a new emergency ordinance that revises the regulations of the corporate governance of public enterprises, in accordance with Component 14 of the NRRP. The corporate governance of public enterprises is redefined now also providing the Principles of the Organization for Economic Co-operation and Development (OECD) on corporate governance, as well as in the OECD Guidelines on the Corporate Governance of Public Enterprises, while the mandatory approval by AMEPIP of the mandate contracts of administrators and companies is introduced. Additionally, several new rules on the conflict of interests are also established, as well as other rules which provide that in the case of newly established public enterprises, the administrators of the company will be appointed by the administrative act of incorporation and their contracts will also provide performance indicators. In the next period, the ordinance shall be adopted by the Government.

C15. Education

No relevant updates.

C16. RepowerEU

No relevant updates.

NRRP Interministerial Coordinating Committee

No relevant updates.

EC Priorities. Priority 1: European Green Deal

Industry and Circular economy

CSRD TRANSPOSITION. The Ministry of Finance published for public consultation the draft order on the transposition of Article 1 of the CSRD Directive. The order will apply to large undertakings, and small and medium-sized undertakings, except micro undertakings, which are public-interest entities. They shall include in the management report information necessary to assess their impact on sustainability matters.

Environmental protection

LAW ON GREEN GROWTH. The Law on the ratification of the Loan Agreement on development policies for green and inclusive growth was published in the Official Gazette. Among actions included in the loan agreement are the strengthening of fiscal inclusion and support for decarbonization and climate resilience.

EIA REMOVAL FOR RENEWABLE ENERGY PROJECTS. The legislative proposal regarding some changes on the assessment of the impact of certain public projects on the environment was sent to the responsible committees of the Senate for debate and report. The proposal intends to remove, under specific conditions, the requirement for environmental impact assessments (EIA) for renewable energy projects, such a photovoltaic and wind farms.

MARITIME SPACE DEVELOPMENT PLAN. The Government approved last week the normative act on the approval the Maritime Space Development Plan and was sent to the Parliament for debate and approval, with the Senate being the first notified chamber. The main objective of the Plan is to promote a coordinated and integrated decision-making process regarding the sustainable development of the Black Sea region, through policies regarding the marine domain.

Energy

No relevant updates.

Transport

TEN-T DEVELOPMENT. The Ministry of Transport and Infrastructure published for public debate a normative act on the re-approval of the technical-economic indicators related to the investment objective "Arad - Oradea Expressway". The financing of the investment objective is carried out from external non-refundable funds and from the state budget, the total reapproved value of the investment (including VAT) being at RON 11,728,834 thousand. The

Arad - Oradea express road will connect to the A3 motorway and is introduced as a priority in the Transport Program 2021 - 2027 and in the General Transport Master Plan and seeks to improve the mobility of the population and goods within the TEN-T network.

Agriculture

FARMERS EXCISE DUTY REDUCTION ON DIESEL EXTENDED. The Ministry of Agriculture and Rural Development published a new normative act on the extension of the term of application of the state aid scheme which reduces the production costs of farmers by reducing the excise duty on diesel, from December 31, 2023, to December 31, 2026. The normative act implements the provisions of Regulation (EU) 2023/1315 regarding certain categories of aid compatible with the internal market.

Priority 2: A Europe fit for the digital age

Digital services and markets

No relevant updates.

Digital identity

No relevant updates.

Artificial Intelligence

No relevant updates.

Priority 3: An economy that works for people

Consumer protection

No relevant updates.

Fiscality, taxation and SMEs

RO E-TRANSPORT. The Chamber of Deputies gave a final favorable vote to the draft bill which establishes the National System for Monitoring Road Transport of High Fiscal Risk Goods - RO e-Transport. The system will monitor in real time the movement of goods with a high fiscal risk on Romanian territory, such as the transport of goods purchased and delivered intra-Community, the transport of goods subject to customs operations or the transport of goods between two places located within the national territory. In the upcoming days, the project will be signed into law by the President of Romania.

CASH PAYMENTS. At the end of last week, Emergency ordinance no. 98/2023 providing for the maintenance of payment ceilings for cash receipts and payments from Law no. 70

/2015 was published in the Official Gazette and registered at the Senate for approval. The only provision from Law no. 296/2023 is the one concerning payments from advances for settlement within a daily ceiling of RON 1.000. The regulation entered into force on November 11, 2023, following public complaints about the limitation of cash payments.

TECHNICAL UNEMPLOYMENT. In the category of laws published in the Official Gazette we find the Law no. 335/2023 on the establishment of social protection measures for employees within the context of the current regional crisis. Among the measures found here are the granting of an allowance of 75% of the basic salary to employees whose individual employment contracts are temporarily suspended at the initiative of their employers, or further clarification on Kurzarbeit.

INTERNATIONAL TAXATION – OECD. Transposing Directive 2022/2523/EU, the draft bill establishing the additional tax for multinational enterprise groups and large national groups was adopted by the Government. Next, the draft bill will be registered in Parliament for debate.

Banking system and capital markets

MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES (MREL). The Senate registered Government's draft bill which aims to ensure the transposition of Directive 2014/59/EU, as amended by Regulation (EU) 2022/2036, by bringing clarification of certain provisions regarding the level of consolidation at which the MREL requirement applies by resolution entities, namely the banks, that are not part of a resolution group, especially from third countries. The Budget Committee has until November 28 to issue a report on this matter.

European funds

2014-2020 MULTIANNUAL FINANCIAL FRAMEWORK. Law no. 338/2023 on the establishment of the national legal framework on the activities and deadlines to be respected by all institutions involved in the closure of the programs under the 2014-2020 Multiannual Financial Framework has been published in the Official Gazette. The act also sets out the arrangements by which projects or operations which were not completed in this financial framework can be continued through the funds allocated for the 2021-2027 programming period.

Priority 4: A Stronger Europe in the World

International trade and food security

No relevant updates.

Neighbourhood policy

No relevant updates.

Solidarity with Ukraine

No relevant updates.

Priority 5: Promoting our European way of life

Justice

No relevant updates.

Schengen, migration, and asylum

ROMANIA'S ACCESSION TO SCHENGEN. Prime Minister Marcel Ciolacu recently stated that Romania must try all possibilities regarding Schengen accession, and he personally will do everything possible for this desire. At the same time, the prime minister also mentioned that the European People's Party should exclude Austrian Chancellor Karl Nehammer, who opposes Romania's accession to Schengen. At the same time, MEP Eugen Tomac asked the European Commission to check whether Austria respects the European regime of sanctions through its opposition regarding Romania's accession to Schengen.

Security and counterterrorism

NATIONAL PUBLIC ORDER AND SAFETY STRATEGY. The recently adopted National Public Order and Safety Strategy 2023 – 2027 was published in the Official Gazette through Government Decision no. 1081/2023. The new strategy aims to increase the degree of safety of citizens. Thus, the general objectives aim at: (1) increasing the degree of public safety and citizen protection - measures include prioritizing the fight against smuggling and customs fraud, especially with excisable products, preventing and countering situations of serious disturbance of public order; developing the administrative and operational capacity of MAI structures/institutions, in order to ensure uninterrupted and optimal parameters of essential services in the field of public order and safety.

CRITICAL INFRASTRUCTERS – PART OF THE NATIONAL SECURITY. After being adopted by the MPs, the Government's Law no. 344/2023, according to which the protection of critical infrastructures becomes a component of national security, was published in the Official Gazette. From now on, the owners, operators, or administrators of national or European critical infrastructures (ICN/ICE) will benefit from the right of access to lands, constructions, or technological installations in public ownership if certain conditions are met cumulatively.

European Health Union

MEDICAL DEVICES. The draft Bill on the implementation of Regulation (EU) 2017/,745 which provides for a series of regulations on medical devices, has received an admission report from the Senate's Health Committee during the review process. If it passes the Senate's vote, the draft legislation will go to the Chamber of Deputies, the decisional forum.

Priority 6: A new impetus for democratic Europe

Democracy

ROMANIAN CITIZENSHIP. The legislative proposal which brings amendments to the legislation concerning the grant of Romanian citizenship was submitted to the Senate's Legal Committee for debate. The proposed rules provide for the possibility of granting Romanian citizenship to the foreign citizen who has undertaken special services brought to the Romanian state and if these are in the interest of the Romanian state. Instead, the withdrawal of Romanian citizenship is proposed for the person known to have links, directly or indirectly, with terrorist entities or with an act of terrorism. Now, the Legal Committee shall debate the proposal and issue a report by November 28.

NO POLITICAL CAMPAIGNS IN SCHOOLS. The same procedural step, but in the Chamber of Deputies, took the legislative initiative which prohibits political campaigns and the distribution of political materials made by electoral competitors, within a radius of 500 meters around all educational units. Instead, students can organize actions such as debates on social or political issues, as long as they are organized independently of political parties. In this case, the Committee on Education has until December 6 to issue a report on this matter.

Respect for rights

MODERNIZATION OF SOCIAL ASSISTANCE SYSTEM. Last week, the Government adopted a draft bill that provides for the modernization of the social assistance system. It does so by moving from a social assistance service that is based on insufficient financial allocations in relation to the concrete needs and problems of vulnerable categories to integrated social services. For example, social services must respect the rights of their beneficiaries, while the level of fulfilment of their minimum quality standards to maintain the operating license is increased from 75% to 90%. Additionally, the project introduces several mechanisms to permanently monitor the quality of social services, to ensure transparency, and to increase the degree of prevention of the risk of abuse and neglect. Now, the draft bill shall be sent to the Parliament for approval.

Rule of Law

A NEW BROADCASTING LAW. Several MPs from all parliamentary parties registered in the Senate a legislative initiative that proposes a new Broadcasting Law. Among the measures provided for by law are both measures already in force and some new ones, in accordance with the provisions of Directive 2010/13/EU and Directive (EU) 2018/1.808. Key provisions include ensuring access for disabled individuals, providing objective information to the public, freedom of press, prohibiting interference in content and banning harmful or disguised commercial communications. In the next 30 days, the proposal shall be submitted to the committees for the start of the debates.

The European Year of Skills

No relevant updates.

Issue Monitoring provides companies and business associations with real time alerts and periodic reports on various policies that are under debate in Parliament, Government or Authorities. The monitoring includes the entire legislative life cycle of draft bills, relevant news in mass media and stakeholders' profiles. For an in-depth monitoring, experts are present at public debates and industry events, providing a detailed synthesis of discussions.