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Functional Review of the Environment, Water and Forestry Sector – Vol. 1

SMIS Code: 37608

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Exchange Rates

1 EURO = 4.2 RON
1 RON = 0.34 US $

Abbreviations and Acronyms

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<tr>
<td>AA</td>
<td>Environmental Authorization</td>
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<td>AAU</td>
<td>Assigned Amount Unit</td>
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<td>AC</td>
<td>Administration Council</td>
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<td>AFWM</td>
<td>Authority of Flood and Water Management</td>
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<td>ANAR</td>
<td>“Romanian Water” (the Romanian water agency)</td>
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<td>ANIF</td>
<td>National Administration of Land Reclamation</td>
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<td>APDRP</td>
<td>Paying Agency for Rural Development (within MARD)</td>
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<td>BFP</td>
<td>Best Forest Practice</td>
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<td>BPR</td>
<td>Business Process Review</td>
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<td>CAP</td>
<td>Common Agricultural Policy</td>
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<td>CBA</td>
<td>Cost Benefit Analysis</td>
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<td>CEPA</td>
<td>Competent Environmental Protection Authority</td>
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<td>CF</td>
<td>Cohesion Fund</td>
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<td>CHU</td>
<td>Central Harmonization Unit</td>
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<td>CONSIB</td>
<td>National Committee for the Safety of Large Dams</td>
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<td>DDNRI</td>
<td>Danube Delta National Institute for Marine Research and Development</td>
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<td>DDG</td>
<td>Deputy Director General</td>
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<td>DG</td>
<td>Director General</td>
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<td>EA</td>
<td>Environmental Authorization</td>
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<td>EAFRD</td>
<td>European Agricultural Fund for Rural Development</td>
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<td>EC/EU</td>
<td>European Commission/European Union</td>
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<td>EE</td>
<td>Energy Efficiency</td>
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<td>EFF</td>
<td>European Fisheries Fund</td>
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<td>EFGD</td>
<td>Economic and Finance General Directorate</td>
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<td>ITSRV</td>
<td>Territorial Inspectorate for Forests and Hunting (in Romanian)</td>
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<td>LEPA</td>
<td>Local Environmental Protection Agency</td>
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<td>MA</td>
<td>Managing Authority</td>
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<td>MARD</td>
<td>Ministry of Agriculture and Rural Development</td>
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<td>MAFWE</td>
<td>Ministry of Agriculture, Forests, Water, and Environment</td>
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<td>MEC</td>
<td>Ministry of Economy and Commerce</td>
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<td>MIS</td>
<td>Management Information System</td>
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<td>MO</td>
<td>Ministerial Order</td>
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<td>MoEF</td>
<td>Ministry of Environment and Forests</td>
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<td>Ministry of Finance</td>
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<td>Ministry of Public Finance</td>
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<td>Memorandum of Understanding</td>
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<td>Ministry of Regional Development</td>
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<td>Management Information System</td>
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<td>National Environment Fund</td>
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<td>NFPS</td>
<td>National Forest Policy and Strategy</td>
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<td>NPDI</td>
<td>National Program for Infrastructure Development</td>
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<td>NPV</td>
<td>Net Present Value</td>
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<td>NSRF</td>
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<td>NGO</td>
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<td>NH3</td>
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<td>NLBI</td>
<td>Non Legal Binding Instrument</td>
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<td>NOx</td>
<td>Nitrogen Oxide</td>
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<td>Acronym</td>
<td>Description</td>
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<td>EG</td>
<td>Environmental Guard</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>ERDF</td>
<td>European Regional Development Fund</td>
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<td>ETAP</td>
<td>Environmental technologies Action Plan</td>
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<td>ETS</td>
<td>Emissions Trading Scheme</td>
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<td>EUR</td>
<td>Euro</td>
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<td>FD</td>
<td>Forest District</td>
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<td>FMIMS</td>
<td>Forest Management Information and Monitoring System</td>
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<td>FMIS</td>
<td>Forest Management Information System</td>
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<td>Forest Management Plan</td>
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<td>FR-EWF</td>
<td>Functional Review-Environment, Water and Forestry</td>
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<td>GD</td>
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<td>GDF</td>
<td>General Directorate of Forestry</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GEO</td>
<td>Government Executive Order</td>
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<td>GHG</td>
<td>Greenhouse Gas Emissions</td>
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<td>GMO</td>
<td>Genetically Modified Organism</td>
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<td>GoR</td>
<td>Government of Romania</td>
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<td>HCH</td>
<td>Chemical compound</td>
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<td>HQ</td>
<td>Headquarters</td>
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<td>HR</td>
<td>Human Resources</td>
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<td>HRD</td>
<td>Human Resources Directorate</td>
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<td>IB</td>
<td>Intermediary Body</td>
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<td>ICAS</td>
<td>Institute of Forest Research and Management Planning</td>
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<td>IEC</td>
<td>Increase of Economic Competitiveness</td>
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<td>IGSU</td>
<td>General Inspectorate for Emergency Situations</td>
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<td>IPPC</td>
<td>Integrated Pollution Prevention and Control</td>
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<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>NRP</td>
<td>National Reform Program</td>
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<td>National Rural Development Program</td>
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<td>National Strategic Reference Framework</td>
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<td>NWMP</td>
<td>National Water Management Plan</td>
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<td>PCB/PCT</td>
<td>Persistent organic chemicals</td>
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<td>PIAMGD</td>
<td>Public Institutions Accounting Methodology General Directorate</td>
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<td>POP</td>
<td>Persistent Organic Pollutant</td>
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<td>PPL</td>
<td>Public Procurement Law</td>
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<td>PPU</td>
<td>Public Policy Unit</td>
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<td>RE</td>
<td>Renewable Energy</td>
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<td>REPA</td>
<td>Regional Environmental Protection Agency</td>
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<td>ROF</td>
<td>Internal Rules of Operation</td>
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<td>Romsilva</td>
<td>National Forest Administration</td>
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<td>RON</td>
<td>Romanian New Lei</td>
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<td>SEA</td>
<td>Strategic Environmental Assessment</td>
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<td>SF</td>
<td>Structural Funds</td>
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<td>SFM</td>
<td>Sustainable Forest Management</td>
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<td>SID</td>
<td>Strategy Implementation Dashboard</td>
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<td>SMIS</td>
<td>Storage Management Initiative Specification</td>
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<td>SO2</td>
<td>Sulfur Dioxide</td>
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<td>SOP</td>
<td>Sectoral Operational Programme</td>
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<td>SOP</td>
<td>Standard operating procedure</td>
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<td>SSAG</td>
<td>Strategy Sector Advisory Group</td>
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<td>SSE</td>
<td>State Secretary for Environment</td>
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<td>SSF</td>
<td>State Secretary for Forestry</td>
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<td>TA</td>
<td>Technical Assistance</td>
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<td>TD</td>
<td>Technical Director</td>
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<td>UNFF</td>
<td>United Nations Forum on Forests</td>
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<td>VOC</td>
<td>Volatile Organic Compound</td>
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<td>WFD</td>
<td>Water Framework Directive</td>
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Executive Summary

1. Context of the review

When Romania joined the EU in 2007, the basic legal and institutional infrastructure for meeting the country’s environmental challenges was in place, and a financing mechanism—EU Funds—was available to meet the projected high investment costs of compliance, and to help strengthen administrative structures and competencies. The strategy behind the Sector Operational Program for Environment (SOP ENV) for 2007-2013 is clear and focuses on investments and public services which are required to increase long term competitiveness, job creation and sustainable development. Some EUR 4.5 billion—almost a quarter of the total EU funds invested in Romania under Cohesion policy (2007-2013)—were allocated to the environment program.

2. But with a current absorption rate of about 7% (and 1.9% real payments), by Government’s own account, so far Romania has failed to beneficially manage the EU Funds, and the country’s environmental challenges remain whole. This is particularly egregious in the case of water and wastewater, infrastructure which is not only critical for human wellbeing, but also for economic activity.

3. Moreover, a newly approved state-funded National Program for Infrastructure Development (NPID) for 2011-2013 designed to complement EU funding and accelerate investment in water infrastructure will be under the joint implementation responsibility of MoEF and the Ministry of Regional Development and Tourism (MoRDT). The program will be fully financed from the state budget in parallel with the SOP Environment and SOP Regional, with about a fifth of the total estimated funding (of €5 billion) allocated to MoEF to finance projects in water management (water and wastewater treatment, water supply and sewage networks) as well as flood protection and dam safety.

4. In addition to the apparent duplication with SOP Environment, the implementation of NPID not only will lead to overlapping responsibilities between the two ministries with no clear separation of their interventions at least territorially, but more troublesome is the fact that this new investment program will overload both the state budget and the very institutions which are currently failing to deliver on the SOP ENV and SOP Regional.

5. Moreover, together with the implementation of the SOP ENV and NPID, the Ministry of environment is in charge of another business line, enforcement of environmental legislation. This important regulatory function requires strong institutional capacity because it involves complex processes of standard setting, permitting, monitoring, close coordination with local authorities, and a significant amount of public consultations. Together with procurement, this function is also the subject of EU requirements, and is a mandatory due diligence step in the project cycle when implementing public or private investment activity.
6. Furthermore, the most recent government restructuring (December 2009) added forestry to the Ministry of Environment, broadening the scope of its mandate and more than tripling the staff numbers in the sector, as well as bringing with it a new set of policy and management challenges, including the need for a new strategy to adapt to the structural changes in the sector—with half of the forest resources now in private hands as a result of restitution—and an overstuffed forest administration that needs to adapt to the changing operating environment around it.

7. The broad picture that emerges from the Review is that sector institutions are overstretched (this applies not only to MoEF, but also to its main implementing agencies: National Environmental Protection Agency (NEPA) and Romanian Waters (ANAR), and to a lesser degree to the National Forest Administration (Romsilva)) working on a wide range of programs where “everything is a priority,” and where results are few, particularly in the areas that should count most: e.g., use of EU funds to increase the Romanian population’s access to water supply and sanitation, protect the country water supply from pollution and flood damage, and conserve and protect biodiversity resources.

8. This situation is partly due to the fact that EU convergence requirements are many, fast-paced, and implicitly assume a much higher institutional capacity than exists on the ground, partly because the sector does not have a strategic framework with a clear process for prioritization, budget allocation, human resource management, and a credible monitoring and evaluation system, and partly because implementation is very slow due to a combination of factors: governance and administrative constraints and conflicts arising from lack of clarity of rules and guidelines, too many controls within the system, risk aversion, demoralized, and poorly trained and poorly incentivized staff.

9. Therefore this review is timely and has identified a number of recommendations to help Government of Romania (GoR) make difficult choices among policy priorities, and mobilize the necessary resources to achieve its policy objectives and tangible results on the ground. The recommendations are in three areas: strategy formulation and management, sector organization and performance, and cross-cutting issues. They are presented in detail in Annex A to this report, and will need to be championed, further prioritized and sequenced by senior management and the staff of the sector.

2. Policy and strategy formulation and management

10. While many policy and strategic issues are horizontal in nature and apply to many if not all ministries, a number of these are especially critical in the case of MoEF, which has a wide range of responsibilities and manages significant resources, making it one of the most powerful ministries with pervasive linkages to the rest of the Romanian economy.
Main Issues

1. Delays in activities when the Government changes, resulting in managerial changes and political appointments, and impacting consistency of managing the strategic priorities, irrespective to the political change;

2. Lack of an integrated strategy and action plan, as well as a communication strategy for the sector, despite the fact that a draft was started under the current Minister (since the 2009 government change), but lacks an adequate consultation process and an analytical underpinning;

3. Weak policy making and performance monitoring capacity, partly because of a weak and not empowered Public Policy Unit (PPU), and also because of a highly centralized and somewhat opaque priority setting and performance management process.

4. Lack of clarity of roles, responsibilities, and accountabilities of key senior managers; this applies in particular to the two State Secretaries and the two Deputy General Secretaries whose responsibilities are not clearly described in MoEF’s Internal Rules of Operation (ROF).

5. Over-reliance on the Minister and the College process (also chaired by the Minisiter) for too many decisions and clearances, including routine management and oversight decisions, overburdening him and his cabinet with too many activities, with potential negative impact on overall effectiveness.

6. Parallel funding from the state budget (especially through NPID) for environment investments is fraught with substantial new issues, including the fact that the program is subject to national rules that may be different than those used for SOP Environment, lack of coordination and transparency, overlapping responsibility between several ministries, and reliance on scarce and non predictable budgetary resources.

Main Recommendations

1. **Setup a FR implementation team.** Designate a team of senior managers from MoEF and the sector agencies to carefully review the recommendations in this report and prepare an plan of action for their implementation.

2. **Prepare a sector Strategy.** Since the overall sector strategy is driven by implementation of transposed EU legislation and convergence with the environmental Acquis, as well as government priorities more generally, and in the forest sub-sector in particular, it is important to prepare a “sector strategy” integrating the policy priorities of both the EU and the GoR, with environment, water, and forestry sub-sector targets and implementation plans. The strategy should be anchored in a vision for the sector, and should cover five main areas: completing the legal and institutional reforms, prioritizing and accelerating investment and absorption of EU funds, strengthening the regulatory and public goods functions (including
climate change and biodiversity/Natura 2000), streamlining and strengthening the management of forest resources and its administration, and improving environmental quality while maximizing the green growth prospects of the economy. Finally, the strategy should be an actionable “living document,” reflecting a highly consultative & inclusive process, and widely disseminated.

3. **Strengthen the strategic formulation and management process.** Consider evolving the current policy formulation and strategy implementation process which is concentrated around--and in the person of--the Minister, into an open, and inclusive process, with the following features:

a) Activate or setup a sector strategy advisory group (SSAG) cutting across the three sub-sectors and representative of staff at all levels, to review progress, incorporate new developments, and advise the Minister and Senior Management on priorities and emerging issues. Use the Policy and Planning Unit (PPU) as the secretariat of the SSAG;

b) Strengthen the current Ministry College as the main performance monitoring mechanism through: interface with the SSAG; agenda preparation and distribution; and dissemination of the decisions of the college to staff (through the Ministry’s intranet—which needs to be setup a part of strengthening the MIS);

c) Evolve the documents currently used for the College meetings into a strategy implementation tool/dashboard (SID) linking priorities, budget preparation and execution, implementation modalities, and performance monitoring (policies, programs, effective use of resources, and a focus on special strategic areas, e.g., EU funds absorption, Natura 2000, National Forest Policy and Strategy);

d) Support the strategy formulation and implementation framework through upgrading the sector’s management information system, and moving to a web–based information sharing; and

e) Develop a communication strategy and a program of public consultations within and outside the sector).

4. **Activate the PPU and considerably strength its role through:**

a) Implementing the provisions of ministerial order No. 509 (on strategic planning), (ii) empowering and resourcing the PPU to finalize and start monitoring the “strategic plan” for the Ministry;

b) Leading the preparation and monitoring of country/sectoral targets for Europe 2020 strategy (NRP input and results monitoring;

c) Supporting the Sector Strategy Advisory Group and the Ministry College in inter-departmental and budget prioritization;
d) Explicit role in inter-ministerial coordination of environmental policy – the role is set in legal documents on operation of various inter-ministerial committees, the problems are rather related to enforcement and follow up action; and

e) Strengthen the PPU’s capacity to undertake policy evaluation and strategic studies/assessments (staffing and analytical tools).

5. **Strengthen the relationship between the MoEF and subordinated agencies**—currently characterized by micro-management and ad-hoc requests—through functional autonomy and accountability; consider doing this through an MOU with each of the subordinated agency, and a process of appointments of top managers based on merit, track record, and accountability for results.

6. **Strengthen inter-ministerial coordination**, particularly with: (i) MARD regarding cross compliance requirement for payment to farmers under EU CAP, implementation of forestry measures and the preparation of the next phase of the National Rural Development Program (NRDP); and (ii) MEE, regarding energy and climate change package. In addition, there is a need to establish a formal institutional process for coordination climate change policy, including the option of a coordination the PM’s office with MoEF serving as its secretary.

7. **Streamline national budgetary resources with those of SOP Environment** in order to accelerate compliance with the Acquis. This can be done through: (i) reliance on earmarked autonomous and predictable resources (e.g., water tax), instead of the national budget; (ii) management of all funding sources by a single institution (MoEF ministry or related agency); and (iii) a unified management regime for EU funds and other sources of funding, in terms of strategy (implementation of master plans already endorsed) and sectoral conditions (including regionalization policy for water and waste sectors).

3. **Operational capacity, systems, and procedures**

11. Despite the fact that most of the EU environmental legislation and institutional structures to implement and enforce it are in place, and while the system will continue to require fine tuning and adjustment, one of the biggest challenges for Romania relate to human resources capacity and the enabling environment (including information technology, coordination, and accountability) for implementation.

**Main Issues**

1. Lack of implementation and follow up of the provisions of the Internal Rules of Operation (ROF) for MoEF. While the ROF contains over 200 pages of detailed attributions for each structure within MoEF, it does not address the functional relations among the different Directorates nor their concrete outputs;

2. Lack of an integrated Information Technology system (in the MoEF) with reliable networking, firewall, resource sharing, backup up facilities, and a communications system.
(e.g., intranet), and lack of operational databases (e.g. on permitting and enforcement), and data and knowledge products to support work-related activities and learning;

3. Complex and bureaucratic environmental permitting system;

4. Poor and slow communication among MoEF’s directorates, all using the results from the College Meetings as the main source of information.

5. Weak inter-ministerial cooperation (e.g. operation of Inter-ministerial Committees: for instance, the inter-ministerial committees on climate change and sustainable development are not held on a regular basis and the follow up mechanism is weak).

6. Human Resources policy and strategy is mainly focused on traditional personnel administration and transactional roles (recruitment and compensation), with no performance management system in place to support strategic objectives and to allow staff contributions to be recognized and measured in terms of value added for the sector.

7. The gap in staffing of several departments and of ANAR, due to high turnover and the inability to attract young staff with high tech skills and knowledgeable in new work methods and technologies, is compounded by unattractive salaries and uncertainty of career prospects; and

8. State property in the water sector is not certified and registered in land books, allowing squatters to occupy state land and jeopardizing safety of water sources.

Main Recommendations

1 Streamline the environmental permitting process by considering the following measures--that would require amendments in the current legislation and maintain consistency with EU laws and directives:

   a) Consolidating the environment permitting and enforcement functions under a single agency, but with clear separation of the two functions, and developing and integrated permits and enforcement database. Also, consider moving to a web-based system of permit issuance. Properly designed this would result in significant efficiency improvements and would have spillover effects of speeding up implementation of investments;

   b) Streamline the procedure for issuing environmental permits for IPPC installations with the regular permitting procedure. The inclusion of the EIA in the IPPC-permitting procedure for those installations which fall under the IPPC-Directive would lead to the reduction of the overall time for processing those applications and a better use of the available resources (e.g. avoidance of the double work in case of public participation and publishing of the decision, avoidance of a repeated involvement of the authorities in the
process). Consequently, it is recommended that for the construction and operation of an IPPC installation *one integrated permit would be issued*. This means that the EIA would be an integrated part of the permitting procedure;

c) Filling regulatory gaps in two areas: (i) correcting the gap created by the amendment of GEO 195/2005 (Art.11) to ensure that environmental liability is reintroduced in cases of business transformations (sale, bankruptcy, consolidation, dissolution, etc.); and (ii) harmonizing of the EIA regulation with the Construction Law (no. 50/1991 as amended) to ensure that the requirements of for obtaining construction permits are consistent with the screen process to determine if and what type of EIA is needed.

2 *Streamline the environmental permitting process—which would require amendments in the current legislation and maintain consistency with EU laws and directives—by considering:*

   a) Improve the quality of Environmental Impact Assessments by: (i) preparing and disseminating detailed guidelines on the content and methodology of EIAs for project proponents and consultants, as well as regulatory agencies (NEPAs/REPAs/LEPAs), and NGOs. Start with classified projects (Annex I and Annex II projects, and projects in Natura 2000 sites);

   b) Streamline the permitting process in Natura 2000 sites, by fully integrating it into the EA permit system.

3 *Undertake a detailed review to streamline the EA permitting process with other permitting requirements (e.g., construction, water, procurement), and assess the feasibility of a “one-stop-shop” approach.*

4 *Undertake surveys and registration of state property in the water sector.*

5 *Urgently review HR policy* and the enabling information management and support environment to maximize the value added of staff and improve implementation.

6 *Implement the 40-measure strong Priority Action Plan (PAP) agreed with the EC for improving the absorption capacity of EU funds*, with a particular focus on: the Managing Authority’s project management capacity; overall financial management and co-financing issues; tender procedures; audit and control; analysis of external institutions; administrative capacity of the implementation bodies; and capacity and ownership of funding beneficiaries.

**Overall message**

12. Overall, the lack of significant progress on the absorption of EU structural funds and continued weakness of environmental institutions show how little progress has been achieved since accession, and represents a huge lost opportunity if MoEF does not *urgently improve*
project implementation and increase absorption. The stakes are high not only within the sector, but for Romania overall, as the country may run the risk of not being able to absorb currently available structural funds, but also of forgoing the opportunity of having access to such a large amount of resources in the future, a potential double jeopardy indeed!

13. Therefore the findings in this report serve as a general wake-up call and point to the need for a more deliberate if not radical approach going forward in order to focus on the “softer” but absolutely essential basic functional capacity and governance issues that hinder implementation.
I. Introduction

1.1 Context and purpose of the review

1. The present review has been undertaken at a time when Romania has had to deal with the full impact of the global economic crisis and a contraction of its economy during 2009-2010, leading the government to design and implement a fiscal and budgetary strategy aimed at restoring economic stability and redirecting government expenditures towards growth and employment. Thus, as the Government of Romania (GoR) makes difficult choices among policy priorities, the aim of the review is to provide useful input to help institutions be more effective with their public resources.

2. More specifically, the objective of the Functional Review of the Environment, Water and Forestry sector (FR-EWF) is to help GoR develop an action plan for implementation over the short and medium term to strengthen the effectiveness and efficiency of the sector administration, and provide input to the Government National Reform Program (NRP 2011-2013) and beyond, especially in relation to those functions that support Romania’s implementation of key EU directives, help speed up convergence with the environmental Acquis, remove constraints to EU structural funds absorption, and manage the country’s natural assets sustainably.

1.2 Approach

3. Based on international experience, the type of review undertaken here is neither a pure “policy effectiveness” nor a pure “organizational efficiency” review, but combine aspects of both by focusing on the overall sector strategic framework and a number of programs and key departments/units within the environment sector.

4. Because of the different institutional mandates and scope of activities within the sector, the Ministry of Environment and Forests (MoEF) itself represents only part of the overall sector resources and spending, and while the goal of the FR-EWF is to improve performance of both the ministry and the broader sector in which it operates, it was necessary to focus the review on a few priority areas. In this regard, given the span and spatial decentralization of the sector activities, and on the basis of an initial scoping and consultations with the key government stakeholders during the inception phase, the review ended up focusing on the effectiveness of the MoEF’s strategic management framework and delivery functions, and its three main implementing agencies: The National Environmental Protection Agency (NEPA), Romanian Water (ANAR), and the national Forest Administration (Romsilva). The corresponding institutional and thematic priorities are described in Table 1.1 below.

1 Throughout the report “environment sector” and “environment sector institutions” will be used interchangeably to refer to the environment, water and forestry sector; in addition, “environment management,” “water management,” and “forest management” will refer to the three sub-sectors included in the review.

5. Moreover, because the forestry sub-sector was only recently moved from agriculture to environment, more than tripling the staff numbers in the sector, and given its economic importance, the uniqueness of the problems it faces, and the fact that it is not covered by the environment Aquis and does not directly benefit from EU structural funds, it was decided to undertake a more comprehensive review of the forest sub-sector, which is presented in a stand-alone report, while at the same time integrated in the overall sector review.

6. The FR-EWF was undertaken through assessments in four key areas: (i) strategic framework, focusing on whether the policy goals and objectives of MoEF and key subordinated or affiliated agencies are clearly defined and measurable; (ii) organization structures and management systems, focusing on identifying the barriers to effective policy planning and implementation by the key sector agencies; (iii) budgeting, financial management, and procurement, focusing on the link with policy implementation and the main functions of budget planning and execution, as well as the role of public procurement in funds absorption and budget efficiency; and (iv) human resource management, focusing on staffing, incentives, and performance issues within the key sector agencies.

### Table 1.1 - Priority areas of the FR-EWF

<table>
<thead>
<tr>
<th>Institutions</th>
<th>Themes</th>
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<tbody>
<tr>
<td>1. Central administration (MoEF)</td>
<td>• Policy setting and prioritization,</td>
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<tr>
<td></td>
<td>• Budget process and performance monitoring</td>
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<tr>
<td></td>
<td>• Absorption of EU funds (SOP Environment)</td>
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<td></td>
<td>• Natura 2000 implementation</td>
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<td></td>
<td>• Climate change</td>
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<tr>
<td>2. Environnemental Mgt: National Env Protection Agencies (NEPAs), Env Fund</td>
<td>• Regulatory oversight (EA permitting process)</td>
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<tr>
<td>(NEF), Env Guard (EG)</td>
<td>• Effectiveness of EIA/permitting and enforcement process, and</td>
</tr>
<tr>
<td></td>
<td>• financing environment priorities</td>
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<tr>
<td>3. Water management agency: Romanian Water (ANAR)</td>
<td>• Service delivery efficiency</td>
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<tr>
<td></td>
<td>• Convergence with Water Framework Directive</td>
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<tr>
<td>4. Forest management: the special role of the National Forest Administration</td>
<td>• Sector policy and strategy</td>
</tr>
<tr>
<td>(ROMSILVA)</td>
<td>• The effectiveness of ROMSILVA</td>
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<td></td>
<td>• Improving economic rents and sustainable forest management</td>
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<td></td>
<td>• Natural 2000 implementation</td>
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</table>

7. Finally, the approach for undertaking the review was through the use of the following tools and techniques: (i) desk reviews of key documents and data; (ii) extensive interviews and input from managers and staff within the sector; (iii) functions mapping; (iv) survey of sector managers and staff focused on HR issues and perceptions regarding linkage between strategy,

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3 While the Treaty establishing the EU makes no provision for a specific common forest policy, leaving it to member states, an EU Forestry Strategy was developed in 1998, and some funding is available under the National Rural Development Program (Pillar 2 measures under the CAP), but not for state forest institutions.
priorities, and performance; (v) use of simple models and checklists to analyze key issues; and (vi) assessment of institutional capabilities, through a structured approach for asking questions, analyzing results, and identifying critical institutional issues.

1.3 Report outline

8. The report is presented in two volumes, with the first volume providing an integrated view of the sector as currently configured around environmental management, water, and forestry, and the second volume dedicated to a detailed review of the forestry sector. Volume I is organized as follows: Part I provides an overall introduction, objectives and context of the review; Part II summarizes the key challenges facing the sector, focusing on the three main sub-sectors, environmental management, water, and forestry; Part III reviews the strategic framework of the sector, pointing out areas where improvements will be needed; Part IV reviews the configuration of the sector, its organization and performance; Part V assesses the salient cross-cutting issues; and Part VI presents the key recommendations. Volume 2, dedicated to the forestry sub-sector, is organized along the four assessment areas.

II. Sector Challenges

9. Environmental outcomes continue to be elusive. Since joining the EU in 2007, Romania had made significant progress in reforming its legal and institutional framework; key legislation has been transposed, and a decentralized implementation structure is in place and operational, albeit still suffering from the effects of a fast-paced transformation and lots of adjustment problems. However, improvements on the ground are slow in coming: only about half of the population currently has access to safe drinking water and sanitation (compared to over a 70 percent EU average), particulates pollution—a major cause of respiratory illness—is 1.5 higher than the EU average; over a third of the country’s agricultural areas are designated as Nitrate Vulnerable Zones, posing a further challenge to an already low agricultural productivity—with higher nitrate levels threatening drinking water supplies and posing a significant threat to children’s health particularly in the rural areas; high levels of non managed household and
hazardous waste (2.5 times compared to the EU on a per capita basis); and major threats to biodiversity conservation.

10. **The Environment and Forestry sector has a broad span of activities** in three important sub-sectors—environment, water, and forestry—all of significant importance to Romania’s economy, and two in particular, environment and water, are key to Romania’s EU environmental acquis and convergence strategy. The span of the sector is both functionally wide and spatially deep, as all three sub-sectors have significant presence at the sub-national level (42 regional/local environmental protection agencies, 11 river basin directorates, and 41 county forest branches). Moreover, the sector also has (i) major regulatory responsibilities through its mandate to ensure that environment standards and protection of the country’s ecological resources are achieved in the most efficient way, and (ii) the responsibility to ensure that Romania meets its obligations under a number of key international treaties and conventions (e.g., the EU environmental law, the Kyoto Protocol, Biodiversity Convention, Danube River International Convention). Therefore, because of these complexities the FR-EWF will need to be targeted to areas where the issues are significant, and the needs for reform and institutional strengthening are greatest and aimed at improving the effectiveness of sector institutions and the efficiency of service delivery.

2.1 **Lessons from recent sector restructuring**

11. The Romania’s environment sector has been in the center of public reform ever since the early days of pre-accession preparations. In 2003, as part of a sweeping restructuring of the government, aimed at reducing bureaucracy, increasing efficiency, improving inter-sectoral coordination, and better responding to the performance requirement of the EU for integration, a new Ministry for Agriculture, Forests, Waters and Environment (MAFWE) was created. But faced with significant capacity and coordination problems, as well as the slow progress in
preparing and conducting negotiations on Chapter 22 of the Environmental Acquis (which opened in January 2004), the experiment lasted 8 months, after which new ministries of Environment and Water Management, and Agriculture and Forestry evolved separately.

12. Consistent with global and European experience, the 2003 restructuring points to three key lessons that continue to be highly relevant today: (i) merging the responsibilities—at Ministry level—for environmental policy-making and management with the coordination role for economic sectors (e.g., agriculture, forestry) invariably leads to confusing and potentially contradictory roles for the different department; this is especially important at the local level where coordination among the Local Environmental Protections Agencies (LEPAs), the county departments of agriculture (the now defunct extension service), and the county forest districts turned out to be a daunting challenge; (ii) separation of decision-making between enforcement and regulatory/licensing environmental bodies (e.g., the National Environment Guard and the LEPAs) proved to be a constraining factor for environmental acquis implementation and service delivery; and (iii) from a broader perspective, major restructuring of processes of the central environmental administration are not likely to yield short-term results, if trade-offs and impacts are not carefully assessed ex-ante. The preparation of this functional review has internalized these important lessons.

13. The most recent, post-accession (December 2009) government restructuring, happened in the mist of the economic crisis, and resulted in the Department of Forestry being added to the Ministry of Environment, bringing with it a new set of challenges. While there are potential efficiency gains because of the overlap between environment and forestry in terms of biodiversity conservation, and between environment and water resources because of the overlap in terms of water quality and environmental health, there is also the challenge of putting together under the same administrative roof three sectors agencies with different mandates, cultures, and management traditions.

2.2 Environment Sub-Sector

14. As an EU member state, Romania’s sub-sector strategy and standards of performance in environmental management are clearly defined by the EU environmental acquis. However, despite the fact that Romania has transposed a considerable amount of EU legislation and undertaken substantial steps towards compliance with the environmental acquis, administrative and technical capacity, as well as financial resources dedicated to the sector remains wholly inadequate, and implementation performance mixed. The sub-sector faces many challenges, including:

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4 World Bank (2007b)
5 The environmental acquis includes over 200 legislative acts under 8 broad categories, covering: Horizontal issues, air quality, water management, water quality, nature protection, industrial pollution, and chemicals (see Box 3.1).
a) **Environmental compliance demands high investment costs as well as the strengthening of related administrative structures and competencies.** Compliance with the environmental acquis was estimated at a net present value (NPV) of Euro 17 billion over a period of 11 years—the highest for any accession country. EU grants were expected to cover around 25 percent of the costs, complemented by government and private funds. It was known from the beginning that the most significant efforts were going to be in the water sector, where annual investment needs beyond expected EU funds were estimated to be in the range of Euro 600-800 million.

b) **A structural challenge stemming from the fact that environment being a cross-cutting issue, by definition, institutionally, environmental management is a horizontal function requiring a significant amount of co-ordination with other ministries and local administrative bodies, as well as civil society and international partners. Moreover, some of the results and most of the impacts of environmental activities are not easy to monitor particularly over the short-term. These aspects get reflected in public policy, strategy formulation, staffing, and administrative processes.**

c) **The importance of two key “public goods” functions under the purview of the MoEF:** (i) enforcement of environmental regulation, requiring complex processes of standard setting, permitting, and monitoring, and where public consultations plays a major role; and (ii) environmental health, through the provision of safe water supply and sanitation services, and clean air. In both cases, while the public sector plays the lead policy setting and financing role, the private sector can be a partner through investment in new technologies and innovation, as well as implementation, and even co-financing.

d) **Slow absorption of EU structural funds.** Arguably the most important challenge with significant opportunity cost implications relates to removing the constraints in implementation of the Sector Operational Program (SOP) Environment for 2007-2013. Despite a relatively good

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Use of Market-based instruments: Mixed results

In January 2009, GoR introduced a tax of 0.2 RON per plastic bag, leading within six months to a 30% decrease in the use of plastic bags.

In 2008, a pollution-based tax (4 euro engines of up to 2 000 cm³) was introduced to replace the old tax on first registration, leading to a decrease in the number of new cars and a jump in the import of second-hand, which in turn led GoR to triple the tax on second-hand cars, and to suspend it for new cars, prompting the EC to review whether the tax on would discriminate against used cars brought from other Member States and protect the domestic new car industry.

*Source: EC 2010*

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6 Subject also to the requirements of the Water Framework Directive (WFD), which is one of the most comprehensive water policy documents of the EU; its aim is to improve surface, coastal, transitional and groundwater quality to a “Good Ecological Status” across Europe.


8 “The Sectoral Operational Programme Environment (SOP ENV) is closely linked to the national objectives of the strategy laid down in the National Development Plan 2007-2013 (NDP) and National Strategic Reference
contracting rate to date (44%) four years after the start of the program, Romania has so far disbursed just above 7% of the program allocation of €4.52 billion. This situation, which to a large extent is related to a glaring lack of capacity at the local level and administrative inefficiencies (mainly in the procurement and financial management systems in place), involves significant risks of “decommitment” of funds by the EU. This would seriously strain the government budget, which would have to be utilized to finance the infrastructure investment necessary for EU compliance. Key issues that have contributed to this are examined in the report, but it is worth stressing main outstanding challenges; these include:

i. **Limited capacity of the agencies** charged with the disbursement of the committed funds as implementation is now in the hands of weak final beneficiary (municipalities, counties, operators, etc) and lack of sufficient and sufficiently qualified staff to implement the projects.

ii. **Major stumbling blocks in procurement procedures** (lack of standardized documentation, unclear regulations for variation orders and need for major paperwork entailing great delays, lack of coordination among agencies involved in procurement, etc.).

iii. **Excessive auditing.** There are too many, too often. Also different auditors tend to provide different advice and to request a new set of documentation for review. Effort must be made to have one local auditing authority and one unified system, in addition to the auditors from the EC.

iv. **Inadequate legislation and procedures to handle irregularities and financial corrections.** The absence of a clear operational manual from the certifying and paying authorities remains an issue.

v. **Urgency for the Managing Authority to focus on the preparation of the new SOP-ENV (2014-20) and start working on the list of priority investments.** While the existence of water and wastewater and solid waste Master Plans for the entire territory of Romania at county level will make it easier to identify priority investments, the same does not hold true for investments in flood protection and water resources management, which have to be prepared at river basin level, requiring major analysis and intensive coordination among different bodies.

e) **The implementation of Natura 2000,** an EU requirement seeking the maintenance or restoration of the “Favorable Conservation Status” for the natural habitats and biodiversity endemic to Romania, is facing several important challenges, including:

Framework (NSRF), which takes into consideration the European Union’s supporting objectives, principles and practices. It is designed to lay the foundation and be a catalyst for a more competitive economy, a better environment and more balanced regional development. The SOP is fully based on the goals and priorities of the European Union’s environment and infrastructure policies and reflects Romania’s international obligations as well as its specific national interests.”
i. **Lack of decisive action to complete the process of identification of Natura 2000 sites** within Romania (in agreement with the EC and the local NGO community), and prepare Management Plans for all these sites. So far, of 382 Natura 2000 sites and Special Protected Areas, *only one site has a approved management plan and a designated administrator on paper*; in addition, two cases of infringement have been lodged against Romania by the EC because of the impact of wind farms on bird habitats; and

ii. **Lack of institutional capacity to manage the sub-sector**, given the very limited resources of the Biodiversity Direction of MoEF (especially staff and skills), which in addition to its core policy development, monitoring and reporting functions, is also recurrently responsible for implementation; thus, the urgency of setting up a capable and adequately resourced autonomous entity to implement nature conservations programs and manage natural parks and Natura 2000 sites.

f) **Climate change and sustainable development is a top Europe 2020 priority and Romania**, but capacity both at MoEF (the coordinating agency) and nationally is very weak. While some progress is being made on mitigation, a large agenda remains, and preparing a climate change and strategy (covering both mitigation and adaptation should be a top priority).

2.3 **Water Sub-Sector**

15. Three main challenges have been identified for the water sub-sector:

- **Meeting the requirements of the Acquis** with respect to the provision of safe and regular water supply for the population and the collection and treatment of wastewater, with clear targets set for 2015 and 2018. To comply with this requirement, substantial investment funds are being mobilized both from the EC and the state budget, but delays in implementation of the respective projects increase the risk of not meeting the targets.

- **Implementation of the strategy for flood protection** of the population and key infrastructure (socio-economic, transport) requires substantial funding for structural and non-

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**Status on EU Water Framework Directive (WFD)**

Despite a solid policy and institutional framework, Romania has a lot more to do in order to achieve the key objectives of the WFD. While it is on track in terms of preparation of River Basin Management Plans (consultations carried out in 2009 but the plans have not yet been published), it continues to face significant water quality issues. Under the Nitrates Directive, in 2008 Romania increased its designation of nitrates vulnerable zones from 14% to 49% of its agricultural area. This is particularly important not only for achieving national water quality objectives, but also the objectives of the new Strategy for the Danube Region (in addition to Romania, Austria, Bulgaria, Germany, Hungary and Slovakia are the Member States most concerned by this initiative).

*Source: EC 2010*
structural actions to address the vulnerability to floods, as well as consolidation of flood management activities under a single structure/agency.

- **Increasing the safety of dams** is fundamental not only from the risk of failure point of view, but also to restore their designed contribution to stability of water supply to users (population, industry, agriculture) through sustainable management of the annual water stock.

### 2.4 Forestry Sub-Sector

16. In addition to not being part of the environmental acquis and its requirements, since 1991 the forestry sector has been the subject of major structural changes in terms of resource ownership and administration, including restitution of properties nationalized in 1948 and substantial privatization of state forests with a major impact on the structure of forest ownership and the management capacity of public institutions. The sub-sector faces many challenges, including:

   a) **The need to adapt the national forest policy and strategy to the structural changes in the sector.** Going through three phases of forest restitution (from 1991 - 2005) which resulted in almost halving the public forest estate (down to 3.3 million hectares which includes 0.5 million hectares still under restitution claims) and the creation of 830,000 private forest owners leading to significant fragmentation, the sub-sector faces new pressure on forest resources, and a new set of unique management challenges. However, this process of change has brought new opportunities for maximizing the economic value of forest resources. Therefore, a key issue—of a strategic/performance management nature—for the sector is the institutional capacity to ensure Romania’s forest resources generate maximum economic rent\(^9\) while being managed sustainably.

   b) **The need to closely coordinate implementation of Natura 2000 with the national forest policy and strategy.** While about 18% of the country is nominally part of the Natura 2000 network, *with more than a half in forest areas*, management plans are lacking or when available tend to be overly prescriptive. More importantly, Forest management Plans (FMP) are still developed independently of Natura 2000 specific priorities. It is therefore important that while forest management should take into account the objectives and the conservation of protected areas, the development of Natura 2000 management plans in forest areas should be undertaken—if not jointly—at least in close collaboration with the development of forest management plans.

   c) **The excessive regulatory framework with an over-reliance on technical norms** which has resulted in a very prescriptive form of forest management and acts as a barrier to innovation and the introduction of best practices which are necessary to maintain and / or improve competitiveness within the sector.

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\(^9\) Economic rent is the basis upon which appropriate government revenues from the sector can be defined (including corporate tax, forest levies, and excess profit).
2.5 The (new) National Program for Infrastructure Development

17. The National Program for Infrastructure Development (PNDI) was approved by the Government in November 2010 and is expected to be implemented in three years: 2011-2013. The purpose of the program is, in principal to support Romania’s convergence to EU standards with respect to environment protection through implementation of integrated systems of water supply and sewage, including wastewater treatment, water supply at European standards, expansion or modernization of water supply and sewage networks in rural and urban areas. In addition, PNDI will finance investment projects for flood protection, dam safety, strengthening the coastal zone against sea water erosion, modernization and rehabilitation of county and local roads, as well as improvement of life standards in rural areas. Implementation of PNDI was entrusted to MoEF and the Ministry of Regional Development and Tourism (MRDT) and will be fully financed from the state budget, in parallel with the SOP Environment and SOP Regional. The funds allocated to MoEF, in amount of RON 3.7 billion (€0.88 billion) of the total of RON 20.9 billion (€5 billion) and will finance projects on water management (water and wastewater treatment, water supply and sewage networks) as well as flood protection and dam safety.

18. Implementation of PNDI leads to duplication with SOP Environment and overlapping of two ministries in environment sector without a clear separation of responsibilities (at least territorial). While the duplication with other programs can be understood from the perspective of fostering meeting the acquis on environment, the involvement of MDRT in environment sector is more difficult to understand given the substantial backlog of EU absorption in the SOP Regional.

19. Reportedly, PNDI is designed to include projects submitted for financing under SOP Environment and found eligible but not funded because of insufficient financial resources. Under the financial mechanism of PNDI the government plans to borrow from commercial banks or infrastructure developers at private market interests with grace period of three years and maturity of seven years which will increase the financial cost of the works and, given the fiscal constraints, would not be fiscally affordable.

20. The roll-out of PNDI has led to a substantial increase of work load for MoEF and ANAR. The MoEF portion of PNDI will be implemented jointly by MoEF and ANAR on different fields: MoEF will be responsible for the multiannual program for environment (through its own structures) while ANAR will be responsible for the program for water management, flood protection, dam safety and protection of coastal zones. Both structures are overwhelmed with the additional workload which adds to the existing high pressure to promote, review and monitor implementation of the existing programs. In addition, these structures have to deal with the poor quality of documentations prepared earlier. On the other hand, PNDI took over for financing seven projects for flood protection and dam safety for which designs have been prepared earlier under World Bank financing as part of the Hazards Risk Mitigation and Emergency Preparedness.
21. The increased work load for MoEF structures and ANAR will also involve additional responsibility for all downstream activities including selection of consultants for preparation of engineering designs, procurement of works (application of the design and build procurement procedure is strongly considered, to reduce the duration of contracting time), selection of site supervisors, monitoring of implementation. While ANAR had long and diverse experience in conducting such activities, the MoEF structures will be faced with new activities for which they are not very familiar with the procedures. A special challenge will be on the procurement team which will be exposed to procedures for contracting works and consultant services for design, not implemented so far. Monitoring of projects implementation would be another substantial challenge for MoEF.

III. Strategy Formulation and Management

3.1 Strategic Framework

22. The sector is characterized by a two-pronged policy framework, one driven by Romania’s position as an EU Member State and covering environment, climate change and water management, and one driven by national goals for the management of forest resources. However, there is no single Romanian policy document that articulates the country’s short and medium-term goals, and a strategy and action plan for attaining them. And despite the fact that considerable institutional and legal reform was achieved as part of the Accession process, resulting in functional implementation arrangement covering all main responsibilities of the sector (Annex B1), significant gaps exist in the strategy formulation process and performance monitoring, and implementation is hampered by major weaknesses related to institutional capacity made more acute by the economic crisis.

3.1.1 The driving role of the EU Acquis for environment and water management

23. Romania’s sector vision and strategy is anchored in EU environment policy which aims to promote sustainable development and protect the environment for the welfare of present and future generations. It is based on the integration of environmental protection into other Community policies, preventive actions, the polluter pays principle, addressing environmental damage at source and shared responsibility.

24. This policy resulted in some of the highest environment standards in the world, developed over decades to address a wide range of issues, and is embodied in the environmental acquis, a comprehensive and far-reaching part of the Acquis Communautaire, which comprises over 200 legal acts covering horizontal legislation, water and air, management of waste and chemicals, biotechnology, nature protection, industrial pollution and risk management, noise and radiation protection (Box 3.1).

25. Cutting across the environmental acquis are a number of principles which strengthen decentralization and promote good governance, including public participation and inclusion, inter-government collaboration and exchange of data, accountability and reporting,
and access to information. Today, the main priorities are combating climate change, preserving biodiversity, reducing health problems from pollution and using natural resources more responsibly. And while aimed at protecting the environment, these goals can contribute to economic growth by fostering innovation and enterprise.

### 3.1.2 The National Forest Policy and Strategy

26. The National Forest Policy and Development Strategy (NFPS) for 2001-2010, which was developed a decade ago and updated in 2005, sets out the overall goal and sector policy, and establishes a series of strategic actions for implementation (see details in Volume 2), but failed to address key issues related to implementation monitoring and overall national priorities within the policy. Although NFPS has been the subject of limited implementation, it did have some notable successes such the nearly completed National Forest Inventory (NFI).

27. Moreover, since the policy was elaborated, significant changes have occurred within the national, European and global forestry contexts, including: (i) forest restitution is much larger than originally envisaged – some 3 million ha have been restituted and there are now about 830,000 forest owners; (ii) accession to the EU and access to forestry measures under the EU Common Agricultural Policy (CAP) for rural development; (iii) EU Forest Action Plan (2006) which although not binding places an obligation on Member States to undertake actions in specific areas, such as wood energy, forest fires, extension services etc; (iv) increased importance of climate change and the ability of forests to sequester and store carbon; (v) advances made through the United Nations Forum on Forests (UNFF) in the development of a non legal binding instrument (NLBI) for forestry; and (vi) designation of Natura 2000 sites, 50% of which are located in forest areas.

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10 Europe 2020 Strategy.
The responsibility for monitoring and the development of legislation to facilitate implementation rests with the Directorate for Policy and Strategy within the General Forestry Directorate (GDF) in the Ministry of Environment and Forests (MoEF). In effect there is no coordinated monitoring of implementation of NFPS, no reporting of progress or achievement to date and no indicators of achievement. A new forest code was approved in 2008 which consolidated a wide number of changes to the previous forest legislative regime. However all of the necessary supporting legislation / regulations / technical norms have yet to be developed, including sale of timber, rotation cycles, Silviculture permitting system for processing entrepreneurs etc.

3.2 Europe 2020 Strategy and the National Reform Programme

Europe 2020 Strategy is the EU’s growth strategy for the coming decade aimed at helping the EU and the Member States achieve high levels of employment, productivity (through
innovation), education, and social cohesion, and meet ambitious climate change targets. Each Member state sets its national targets in a national reform program (NRP) which is updated in April each year.

30. In addition to its specific focus on climate change, Europe 2020 Strategy includes a number of flagship initiatives with a strong link to the environmental acquis and the wider sustainable development agenda. In particular, the Resource Efficient Europe initiative is of great strategic importance and aims to decouple growth from the use of resources. Together with the climate change-energy package and the use of market-Based instruments, this initiative forms the basis of a green economy characterized by low carbon emissions and natural resource conservation.

31. Romania’s first NRP (2007-2010) was structured around three priorities: (i) improvement of environmental infrastructure (water and wastewater); (ii) biodiversity conservation with a special focus on Natura 2000; and (iii) climate change and air quality, with a special focus on the development of a national climate change strategy. Despite some progress on each of these areas, major gaps remained and the EC recommended that the new NRP (2011-2013) include the followings issues:

- Accelerating the implementation of the Directive 91/271/CCE regarding urban waste water treatment, with the purpose of increasing the connection rates for water supply and sewerage and waste water treatment;
- Accelerating the implementation of Natura 2000 program;
- Implementation of the action plan for Romania’s preparation to adopt and implement the law package “Energy – Climate Change”, approved by Memorandum no. 13955/16.07.2009 (that includes the elaboration of the new National Strategy on Climate Change;
- Analysis of the compliance of national levels of gas emissions, based on the national inventories for emissions of SO2, NOx, VOCs and NH3;
- Promotion of “ecologically public acquisitions;” and
- Implementation of the Action plan for environmental technologies (ETAP Romania).

32. The key features of the new Romania NRP (2011 - 2013) are summarized in the Table 3.1. While the program appears to be clearly anchored in the EU’s green growth agenda, it is silent on some of key areas where challenges remain significant (water and

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11 Based on the April 2011 draft version of the NRP (2011-2013) which the FR review team had access to. The final version of the NRP is adopted through Memorandum by the Romanian Government.
sanitation, biodiversity conservation, and local air pollution); moreover, its implementation faces a number of bottlenecks, including:

- At strategy level, the lack of a comprehensive and stakeholder-supported climate change strategy and action plan;
- Institutional capacity: lack of qualified staff, weak implementation monitoring and reporting; weak carbon management capacity (e.g. capacity and know-how to undertake and manage a GHG emissions inventory, carbon trade, and greening AAUs);
- Lack of incentives for attracting private investors for energy efficiency and renewable energy; and
- Inadequate budgetary resources.

### Table 3.1 – The NRP’s (2011-2013) climate change and energy provisions

<table>
<thead>
<tr>
<th>EU 2020 Targets</th>
<th>Romania’s strategy to meet targets by 2013</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Targets</strong></td>
<td><strong>Sector measures</strong></td>
<td><strong>Financing</strong></td>
</tr>
<tr>
<td>20% GHG reduction from 1990 (or 30% if international conditions exist)</td>
<td>* Energy (large combustion plants and urban heating)</td>
<td>* SOP ENV, SOP IEC, and NEF</td>
</tr>
<tr>
<td></td>
<td>* Transport (public transport &amp; rail infrastructure)</td>
<td>* Cohesion Fund, NEF &amp; state budget</td>
</tr>
<tr>
<td></td>
<td>* Carbon Capture and Storage</td>
<td>* EU and state budget</td>
</tr>
<tr>
<td></td>
<td>* Afforestation</td>
<td>* NEF</td>
</tr>
<tr>
<td>20% of energy from renewable</td>
<td>* Promotion of RE sources (wind, wind, geothermal, biomass, small hydro), Green certificates, and training</td>
<td>* SOP IEC, OP Regional, state budget</td>
</tr>
<tr>
<td>20% increase in energy efficiency</td>
<td>* District Heating modernization</td>
<td>* SOP IEC, SOP ENV</td>
</tr>
<tr>
<td></td>
<td>* EE in residential buildings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* High efficiency cogeneration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Public awareness and training</td>
<td></td>
</tr>
<tr>
<td>Horizontal measures: efficiency and transparency of the public administrations</td>
<td>* Implementation of the Priority Action Plan (PAP) for increasing the absorption rate of SF &amp; CF</td>
<td>* SF and SC</td>
</tr>
<tr>
<td></td>
<td>* Use of ICT for the modernization of the public administration (including eGovernment)</td>
<td></td>
</tr>
</tbody>
</table>

### 3.3 Strategy planning and implementation

#### 3.3.1 The Key role of the Ministry of Environment and Forests

(a) **Functional and Management Responsibilities**
33. **MoEF carries out its activity in fifteen areas:** strategic planning, sustainable development, environmental infrastructure and water management, meteorology, hydrology, hydrogeology, climate change, protected natural areas, waste management, hazardous substance and compound management, biodiversity conservation, biosecurity, air quality management and environmental noise management, and forest management administration.

34. **MoEF develops the national policy on environmental and water management, and forestry,** elaborates the specific strategy and regulations for the development and harmonization of these activities within the general Government policy. It has responsibility for coordinating the implementation of the Government strategy in its field of competence, and serves as the inspection and control authority in these fields. It does so through a number of functional areas: strategy; regulation and endorsement; representation; state authority; administration; implementation and coordination of the EU and national financial assistance for Romania in the field of environment and forests, as well as management of external loans, other than EU ones; and monitoring, inspection and control.

35. **For these responsibilities MoEF is organized and operates according to the provisions of Romanian GD no. 1635/2009,** on the organization and functioning of the MoEF, subsequently amended and completed. The structure of the ministry (detailed organigram provided in Annex B1) is comprised of: (i) the Minister’s cabinet; (ii) a General Secretary who manages the sector administration and is assisted by two Deputy General Secretaries; (iii) a State Secretary for Environment (SSE) and a State Secretary for Forestry (SSF), who coordinate policy and monitor implementation in their respective areas on behalf of the Minister; (iv) twelve directorates/units with administrative responsibilities covering budget and finance, procurement, inspection and audit, communications, legal, European Affairs, human resource, and information technology; and (v) seven technical directorates with responsibilities in: pollution control and impact assessment, waste and hazardous substances management, climate change and sustainable Development, biodiversity, forestry, investments and SOP Environment.

36. Finally, MoEF has 747 approved staff positions (excluding dignitaries and the Minister’s Cabinet) and currently operates with 535 active positions and 129 vacancies, while 83 positions are temporarily suspended.

(b) **Policy planning and strategy implementation**

37. **Strategy formulation and program and budget prioritization are concentrated in the MoEF at the level of the Minister’s Cabinet,** supported selectively by key advisors and an ad-hoc “Strategy Advisory Team” comprised of key senior managers from the sector. While the State Secretaries (in charge of Environment and Forestry, respectively) theoretically represent the two most senior managers after the Minister, the political nature of their appointment and the lack of clarity of their policy and oversight responsibility are such that they are perceived as not very effective and call into question the usefulness of such a system—which is used throughout the Romanian government.
38. **There is no systematic monitoring and evaluation system for the sector as whole,** but only a patchwork of different information systems in different agencies heavily focused on administrative processes, inputs and outputs, and driven by reporting requirements for different EU directives (e.g., Water Framework Directive, Nitrates Directive, National Reform Program) and responding to the European Commission requests.

39. **The closest thing to strategy implementation and performance monitoring is undertaken through the “Ministry College”** process, which is chaired by the Minister, and includes the sector’s senior managers (General Secretary and two deputies, the two State Secretaries, Department General Directors within the Ministry—including Economy and budget—and the General Directors of subordinated agencies (NEPA, ANAR, ROMSILVA, NEF, EG). The Ministry College meets weekly to review progress on the sector’s work program, and makes decisions on budgetary and operational issues. The process is managed by a Senior Advisor to the Minister, and while it does cover policy issues and follows closely progress on new legislation, it is not driven by a clear and transparent results framework (Box 3.2).

40. **Although currently MoEF has a Public Policy Unit (PPU) which reports directly to the Secretary general, its capacity and role are not used adequately in the management process of the ministry.** In particular, while clearly provided for in the legislation (GD775/2005), the PPU is not playing an active role in three areas of importance related to strategic planning: (i) internal communication within the Ministry on strategic planning issues, budget prioritization, and sector performance monitoring; (ii) inter-ministerial cooperation and coordination with GSG to ensure coherence among sector strategies and action plans; and (iii) capacity to undertake prospective studies and analysis of strategic issues.

41. **In terms of capacity, with its four staff and no manager, the PPU lacks qualified staff** with expertise in statistical and economic analysis, legal and regulatory aspects, and expertise that can interface with any of the major technical areas. For example, currently the Romanian Waste Management Strategy and Action Plan are under revision (which would also include preparation of an Integrated Waste Management regulation), a process that requires significant interactive cooperation between different departments within and outside MoEF, and could use the “steady hand” of a strong PPU. However, the review found one exception: the PPU—as currently staffed—is tasked with preparing medium and long-term strategic plans (2009-2013/2014-2020) for the sector, but given its current capacity and clout, it will be a difficult process but at the same a good test for demonstrating the usefulness of a strategic planning process.

3.3.2 **The role of other key departments and agencies**

42. **Water Policy Management.** The water sub-sector is managed by the “Authority of Flood and Water Management” (AFWM) led by a director general reporting directly to the Minister. Established in September 2010 through reorganization of the Ministry, AFWM includes three directorates: water management, flood risk management, and river basins spatial management. **AFWM is in charge of implementation of the objectives set for the water sector**

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12 MoEF ROF
by the governing program, EC directives (mainly on water, flood protection but also parts of other 17 directives concerning water resources), and sub-sectoral strategies (flood protection strategy, river basin management). Special importance is given to alignment with international efforts for sustainable management of the Danube River through the National Plan of Danube River Management and implementation of the National Strategy for Sustainable Development 2013-2020.

43. The EC directives on water management, flood risk management, protection of aquifers, etc. have been reflected in the national legislation and regulations (e.g. Water Law, Flood Protection Strategy). Based on these, MoEF, through AFWM, is the lead authority in water management and flood protection, while other actors contribute to implementation of these laws and regulations. Not in the least, protection of water as part of the life environment for aquatic life (flora and fauna) is part of the main mandate of MoEF, implemented through AFWM.

44. The general objectives set under the sectoral strategies have been translated into action plans with specific annual targets and their implementation is monitored through periodic reports prepared and submitted to the Government or EC. In addition, periodic reports on safety of constructions (dams, embankments, and other hydraulic structures) and status of flood protection infrastructure are prepared and submitted to MoEF management. The action plans include: (i) investments in projects aimed at increasing the protection of the population and infrastructure assets, as well as securing clean and dependable water supply as a resource for human and economic consumption; and (ii) institution building, and knowledge and awareness raising measures with local communities, aimed at increase the general capacity to protect the water resources and strengthen preparedness and response in case of floods.

45. The development priorities given to the water sub-sector are clearly reflected in the national investment programs for the environment sector currently under implementation. This program, funded exclusively from the state budget—and no resource from SOP Environment—includes 884 projects, most of them for flood protection (412 projects) and sustainable forests management (410 projects). Of the RON 19 billion (about €4.5 billion) total allocation, RON 16.9 billion (about €4 billion) are allocated to water investments, with the highest priority given to flood protection infrastructure; however, allocation of more funds towards increasing the safety of dams and sustainable provision of water for domestic, social and economic use is required.

46. However, because of fiscal constraints on the state budget, this investment program is severely underfunded every year, and is continuously delayed, which points to the need for giving priority to critical water infrastructure projects across the overall government investment program, possibly similar to transport and environment. Many projects designed to be completed in five years have been under implementation for ten years. For 2011, RON 1.05 billion have been allocated from the budget for the entire MoEF investment program, of which RON 0.59

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13 These programs have been developed over a period of 20 years in parallel with the programs developed under SOP. New projects are added annually to them, as the need arise and funds can be mobilized.
billion for water infrastructure. This means that, at the current annual funding, the existing water infrastructure projects would be completed in about 28 years, and if new projects are added to the program, the existing program will be further delayed. Therefore, if the completion of all projects under implementation before 2020 continues to be a strategic priority of the government, annual funding allocations should be increased four-fold while also keeping funding space for starting new projects of critical importance.

47. With investment projects under implementation for ten years or more, it is difficult (if at all possible) to assess the adequacy of strategic prioritization or their realism under the current and likely resources allocation in the near future. Thus, it is important that an updated review of opportunity and expected benefits of the ongoing investment projects be undertaken, and decisions be made to stop the ones which are no longer a high priority. Some of these may be continued at a later stage, under better financial conditions, under new contracts. It is important however to note if any of these projects are to be stopped partially completed, this should be done taking into safety and benefit loss considerations.

48. A revised investment strategy should also be prepared, with clear focus on high, long term priorities to also include a firm commitment to allocate the financial resources under normal and crisis conditions. The experience of the last 15 years proved that politics influenced substantially the selection of new projects added to the investment programs, in many cases in disregard of the strategy and priority setting procedures. New procedures for prioritization of investment projects are being developed by MoEF and there should be a firm commitment to abide by these procedures, once approved and formally enacted.

3.3.3 Inter-sectoral coordination

49. Within its broad mandate of environmental sustainability, MoEF has overall responsibility for coordination of cross-cutting activities like climate change, and the environmental aspects in the Sector Strategies and Action Plans elaborated and implemented within line ministries. For this process to be effective, the Government is supposed to ensure that the ministries and agencies involved are given sufficient resources to develop and respectively implement the elaborated and approved strategies. This means the already established “Environmental Units” in all the ministries need to be adequately staffed and resourced; this does not appear to be the case. Moreover, the weakness of coordination extends to local authorities/branches/departments.

50. A relatively new but important area where inter-sectoral coordination is weak and would need significant strengthening relates to climate change policy. While all economic sectors are involved or impacted directly or indirectly, environment, energy, agriculture, transport, regional development, and finance need to come together on policy and implementation strategy matters. Currently burning issues for Romania relate to carbon management and trade, and development of a comprehensive climate change strategy (emissions inventory, emissions registry, AAUs, Green Certificates, participation in EU-ETS, etc.), all requiring a significant amount of coordination and close collaboration in addition to staffing and resources.
IV. Sector Configuration, Performance & Challenges

4.1 Institutional mapping: Functional and territorial organization of the sector

51. The environment, water, and forestry sector is managed through a central administration, comprising at its core by the MoEF, supported by three sub-sector institutions: environment (with NEPA and NEG in charge of implementation of environmental policy and regulatory enforcement; water (with ANAR, in charge of implementation of water management policy; and forestry (with NFA/Romsilva in charge of implementation of forest policy). Together these institutions are organized to undertake the following eight main functions:

1) **Strategy and Planning**, focuses on developing policies and program frameworks, anchored in medium and long-terms goals for the three sub-sectors, and translating them into sector and unit programs and action plans, congruent with financial frameworks that take onto account budgetary and fiscal constraints.

2) **Coordination**, along different dimensions, the most important of which relates to the implementation of environmental policy across key sectors of the economy, and implementation and reporting on the EU environmental acquis. Moreover, coordination is also undertaken within sector, to ensure harmonization and consistency particularly in terms of application and enforcement of regulatory decisions, both functionally and territorially (given the highly decentralized nature of sector institutions).

3) **Representation**, both as an EU member state in order to influence common environmental policy and safeguard Romania’s interest, and in internationally institutions in terms of the regional and global forums and conventions and protocols (e.g., Black Sea-Danube, biodiversity, climate change, POPs).

4) **Regulation and administration**, aimed at ensuring that relevant institutions (both within the sector and economy-wide) are equipped with adequate legislation and resources to implement sub-sector policies. This function is particularly important for safeguarding the health of the Romanian population and the equitable and sustainable use of the country’s water and forestry resources, and enabling to country to meet its international commitments and obligations.

5) **Information and data management**, with a dual purpose: inform the public and provide reliable statistics and knowledge on the performance of the sector, especially with respect to the impact of enforcement of environmental legislation, the quality of the country’s water resources and the effectiveness of investments in the water management, and the economic rent and sustainability of forest resources.

6) **Implementation**, including provision of services, permitting and enforcement of regulation, responsibility for the design, management and implementation of EU funds
(under SOP Environment), management of forest and natural assets, and administration of state resources.

7) **Oversight**, includes monitoring and evaluation of sub-sector program performance, monitoring enforcement of the provisions of environment permit requirements, and the effectiveness of the sector’s administration.

8) **Human Resources management**, includes mainly recruitment and compensation, and very little in the way of strategic staffing and performance management.

52. The analysis and findings of the review—which were based on two main sources of information: (a) roles and responsibilities as described in the ROF, and (b) an institutional mapping of functions and capabilities exercise undertaken by the Functional Review team through structured interviews using a set of standard questions and a checklist critical issues—are summarized in the three tables below.

   a) **Table 4.1 (which describes what the eight different functions above entail) shows adequate functional coverage compared to other EU member states and internationally**, with the sector undertaking some 14 specific functions covering strategy, coordination, regulation, implementation, information, representation and oversight.

   b) **Table 4.2 on the other hand (which maps out the specific functions undertaken by each agency/department/unit) shows significant potential for optimization of functional responsibilities among sector agencies.** The distribution (statutorily and/or in practice) of the 14 specific functions among the sector’s central administration and agencies reveals two important features, which in practice point areas of potential efficiency gains:

      i. the relatively high density of the mapping matrix indicates a lack of specialization and complementarity among agencies; **this is particularly important among MoEF, NEPA and ANAR, and is a reflection of the fact that there is no clear separation between policy and strategy planning—which should be the main function of the Ministry—and implementation—which should be the responsibility of NEPA and ANAR**; and

      ii. the important role of the forest agency Romsilva in policy and strategy planning, a function that should be undertaken by the General Directorate of Forests under the oversight of the State Secretary.

   c) Table 4.3 shows how functions are distributed among sector agencies, which in large measure also reflects their internal organizations.

53. **Finally, in addition to the functional span of the sector, implementation of its programs is undertaken through its highly decentralized implementing agencies.** All three sub-sectors have significant presence at the sub-national level, including 42 regional/local environmental protection agencies, 11 river basin directorates, and 41 county forest branches, with over 80 percent of the staff located in these local offices. While the scope of the review did
not permit a detailed analysis of the local administration, it did reveal that there is more clarity in the division of responsibilities and accountability within each of the three main implementing agencies:

- within NEPA, most environmental permits are the responsibility of the REPAs and LEPAs with enforcement undertaken by the regional branches of the NEG;
- within ANAR, the regional basin administrations have clear responsibility for local water management decisions and investment implementation; and
- within Romsilva, the forest county branches are responsible for resource management and protection (including forests and natural parks) and timber sales,
- all local branches of the implementing agencies work very closely with the local government administration—consistent with the principles of decentralization and good governance of the EU Aquis Communautaire—but are subject to political interference (e.g., appointments by local officials which is more prevalent in the forestry sub-sector).
# Table 4.1: Functions of the Environmental and Forestry (E&F) Administration

<table>
<thead>
<tr>
<th>Core functions</th>
<th>Specific functions</th>
<th>Description (non-exhaustive)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy and planning</strong></td>
<td>Development of strategies</td>
<td>Developing programmatic frameworks for the development of the E&amp;F sectors</td>
</tr>
<tr>
<td></td>
<td>Development of programs and plans</td>
<td>Developing sector programs and action plans</td>
</tr>
<tr>
<td></td>
<td>Planning of financial resources</td>
<td>Developing medium-term financial frameworks for the E&amp;F sectors</td>
</tr>
<tr>
<td><strong>Coordination</strong></td>
<td>Collaboration with external (public) actors</td>
<td>Ensuring complementarities and/or evoking synergies with other sector programs and avoiding overlaps and discrepancies</td>
</tr>
<tr>
<td><strong>Representation</strong></td>
<td>Participation in EU and other forums</td>
<td>Expressing the Romanian sector interests in the EU and other forums (bilateral, multilateral, etc)</td>
</tr>
<tr>
<td></td>
<td>Law-making</td>
<td>Communicating with and reporting to the relevant European public bodies (ref. to e.g. policy implementation and EU fund management)</td>
</tr>
<tr>
<td></td>
<td>Budget and financial management</td>
<td>Adapting legislation in compliance with EU and national relevant regulatory provisions</td>
</tr>
<tr>
<td><strong>Regulation and administration</strong></td>
<td>Budget and financial management</td>
<td>Ensuring the operational allocation of resources, record-keeping</td>
</tr>
<tr>
<td></td>
<td>Public relations</td>
<td>Providing information to public on policies, sector developments, spending of funds</td>
</tr>
<tr>
<td></td>
<td>Collection of statistical data and research</td>
<td>Data collection, conducting sector assessments, conducting fundamental E&amp;F research</td>
</tr>
<tr>
<td></td>
<td>Delivery of information and statistics</td>
<td>Providing sector related information and statistical publications</td>
</tr>
<tr>
<td><strong>Implementation</strong></td>
<td>Provision of services</td>
<td>Advisory services, training</td>
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<tr>
<td></td>
<td>Administration of resources</td>
<td>Certification, accreditation, testing, registration, etc</td>
</tr>
<tr>
<td></td>
<td>Implementation of EU Funds</td>
<td>Managing state property</td>
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<tr>
<td></td>
<td>Law enforcement</td>
<td>Ensuring the effectiveness, correctness, management and implementation of SOP Environment</td>
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<td></td>
<td></td>
<td>Monitoring the appropriate application and use of policy measures and funds, enforcement of laws</td>
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<tr>
<td><strong>Oversight</strong></td>
<td>Performance tracking</td>
<td>Monitoring and evaluation of sector programs, performance tracking of the E&amp;F administration</td>
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<tr>
<td></td>
<td>Internal controls</td>
<td>Audits and controls within the E&amp;F administration</td>
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<tr>
<td><strong>Human Resources (HR) Management</strong></td>
<td>HR strategy development</td>
<td>HR Strategy and performance management</td>
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<tr>
<td></td>
<td>HR management</td>
<td>Main focus: recruitment, compensation, few incentives</td>
</tr>
<tr>
<td>Core function</td>
<td>Specific functions</td>
<td>MoEF</td>
</tr>
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<td>------------------------</td>
<td>--------------------------------------------------------</td>
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<tr>
<td>Strategy and planning</td>
<td>Development of strategies</td>
<td></td>
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<td></td>
<td>Development of programs and plans</td>
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<td></td>
<td>Planning of financial resources</td>
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<tr>
<td>Coordination</td>
<td>Collaboration with external actors</td>
<td></td>
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<tr>
<td>Representation</td>
<td>Participation in EU and other forums</td>
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<tr>
<td>Regulation and</td>
<td>Law-making</td>
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<tr>
<td>administration</td>
<td>Budget and financial management</td>
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<tr>
<td>Information and data</td>
<td>Public relations</td>
<td></td>
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<tr>
<td>management</td>
<td>Collection of data and Research</td>
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<td></td>
<td>Delivery of info and statistics</td>
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<tr>
<td>Implementation</td>
<td>Provision of services</td>
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<td></td>
<td>Advice &amp; training</td>
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<td></td>
<td>Other services</td>
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<td></td>
<td>Administration of resources</td>
<td></td>
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<tr>
<td></td>
<td>Implementation of EU Funds through SOP - Environment</td>
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<tr>
<td>Oversight</td>
<td>Law enforcement</td>
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<tr>
<td></td>
<td>Compliance &amp; Inspections</td>
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<td></td>
<td>Performance tracking</td>
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<td></td>
<td>Internal controls</td>
<td></td>
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<tr>
<td>Human Resources (HR)</td>
<td>HR strategy development</td>
<td></td>
</tr>
<tr>
<td>management</td>
<td>HR management</td>
<td></td>
</tr>
</tbody>
</table>

- Primary function
- Secondary function
- Significant potential for optimization

*Source: RO FR MoEF Team, based on MoEF data, 201*
Table 4.3 Functional Responsibilities of the Environment Sector Institutions

<table>
<thead>
<tr>
<th>Ministry (MoEF)</th>
<th>National Environmental Protection Agency (NEPA)</th>
<th>Regional Environmental Protection Agencies (REPAs)</th>
<th>County Environmental Protection Agencies (EPAs)</th>
</tr>
</thead>
</table>
| - National environmental strategies and policies  
- Legislation  
- Monitoring, inspection and control  
- Administration  
- Representation in national and international forums  
- Implementation and coordination of the EU and national financial assistance in the field of ENV and forests  
- Implementation of SOP-Environment |
| - Technical and scientific support to MoEF for elaborating, implementing and monitoring ENV strategies, action plans, projects  
- Coordination, supervision and technical support to REPAs and EPAs  
- Issuing regulatory acts, according to the law  
- Data collection, analysis and reporting to MoEF  
- Training and information programs  
- Collaboration with NEG on the enforcement process |
| - Contribution to regional development plan  
- Regional environmental action plans  
- Regional environmental data bases  
- Issuing regulatory acts, according to the law-technical assistance to EPAs  
- Cooperation with NEG in the enforcement process  
- Management and release of regional environmental information |
| - ENV protection data collection and management  
- Issuing regulatory acts, according to the law  
- Monitoring ENV factors (air quality, radioactivity)-collaboration with NEG in the enforcement process |

<table>
<thead>
<tr>
<th>National Environment Guard (NEG)</th>
<th>National Environment Fund (NEF)</th>
<th>Romanian Water Agency (ANAR)</th>
<th>National Forest Administration (ROMSILVA)</th>
</tr>
</thead>
</table>
| - Inspection and control of activities with respect to ENV protection  
- Issuing, promoting and up-dating guides and technical norms in the field of inspection and control  
- Issuing penalties |
| - Management of funds from pollution taxes, fines, and green fees in order to support programs in six areas: renewable energy, forestry scrap vehicle, water supply and sanitation, urban greening, and NGOs, private associations, and religious groups  
- Management of carbon funds resulting from the trading of Romania’s allocation 300 million (AAUs) and financing RE and EE projects in public buildings. |
| - Management of water resources, surface and groundwater administration  
- Operation and maintenance of National Water Management System  
- Implementation of EU directives in the water sector  
- Protection against flooding  
- Maintenance and operation of the water works in the public domain  
- Issuing approvals and authorizations  
- Staff training |
| - Management of the state-owned forests  
- Setting-up of hunting areas and facilities  
- Preservation of equine gene pool for thoroughbreds  
- Research and development of fur breeding animals |
4.1.1 Sector core: Ministry of Environment and Forests (MoEF)

54. The MoEF is the main institution responsible for the development of general policy and legislation in the areas of environmental management, water resources, and forestry, as well as monitoring and enforcement of policy implementation, and collection and public disclosure of data on the state of the environment. Its organizational structure spans both technical and administrative functions (see Annex B2 for detailed organigram of MoEF).

55. As such, MoEF is the central agency and the primary budget holder for the sector. Its main role is to formulate and monitor policy implementation through two State Secretariats (one for Forestry and one for Environment), a Water Management General Directorate, and a Managing Authority for the EU-funded Sector Operational Program Environment (SOP Environment). Administration of the ministry is the responsibility of a General Secretary supported by two deputy general secretaries and fiduciary units. The main performance and accountability mechanism at senior management level is the “Ministry College” (Box 3.2) which meets weekly or bi-monthly, is chaired by the Minister, and comprises all senior managers and, as well as the executive directors of the affiliated agencies.

4.1.2 The Managing Authority for the Operational Program Environment

56. The Managing Authority has the status of a General Directorate reporting directly to the Minister, and is responsible for the effective management and implementing the Sector Operational for Environment (SOP ENV). In addition, the Ministry also has an EU Affairs Directorate, located outside of the Managing Authority in charge of dealing with EU matters related to compliance, preparation of legislation, and various policy and representation tasks.

57. The SOP ENV for Romania for the period 2007-2013 was approved by the EU Commission in July 2007. The overall objective of the program is to improve the living standards and the environment, focusing in particular on meeting the European legislation on the environment. The aim is to reduce the environment infrastructure gap that exists between the European Union and Romania both in terms of quantity and quality.

58. In the context of Romania's EU accession, SOP ENV is an important programming document contributing to the implementation of national and environmental strategies, while respecting the priorities of national development aims as were established in the National Development Plan 2007-2013 (NDP) and the strategic priorities for structural and cohesion funds established in the National Strategic Reference Framework (NSRF).

59. Thus, the priority axes of SOP Environment are in concordance with the Priority 3 "Environmental protection and quality improvement" of the NDP 2007-2013 and with the thematic priority "Development of basic infrastructure to European standards" of the NSRF.

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14 Directorate General for SOP Environment (Managing Authority – MA for OP Environment – Axis 1 to 6) – The OP Environment Program is under the Convergence objective and is co-funded by European Regional Development Fund (ERDF) and the Cohesion Fund (CF).
addition, the SOP Environment is complementary to other development priorities of Romania leading to the sustainable development of the country (Box 4.1).

### Box 3.2 The “College” is the main instrument for monitoring performance

The MoEF structure includes two advisory bodies to the Minister: the College Ministry and the Advisory Council. The composition and operating rules of these two advisory bodies are established and approved by Ministerial Order (MO). The actual MO since August 2010 is only referring to the composition of the Ministry’s College (which is comprised of all senior managers in the Ministry, Heads of affiliated agencies, and the Minister’s Advisors).

The main indicators tracked regularly by the College at its weekly meetings include:

- **a)** Budget execution – for both MoEF and subordinate/coordinated institutions
- **b)** Investments – ministry’s priorities for the year (e.g., 2011)
- **c)** Tendering and contracting plan for the year (e.g., 2011)
- **d)** Legislative activity – list with draft legislation on different levels of approval (internal circuit, inter-ministerial circuit, parliament)
- **e)** Communication – periodical information about solutions, reactions to the press articles related to environment aspects linked with the ministry or subordinated institutions
- **f)** In addition, other topics are taken up by College according to the urgency and relevance; these include specific issues regarding:
  - Environment Fund Administration
  - Natura 2000
  - National Plan for Infrastructure Development
  - Sustainable Development Strategy
  - Infringement – to establish a weekly informative note to be received by MoEF’s directorates and by the subordinated/coordinated institutions regarding updated situation of all pieces of legislation related with infringement
  - Forestry – different technical analyses (e.g. to regulate conditions for wood cutting activities, afforestation activities etc.), and
  - Internal analysis of subordinated institutions

*Source: MoEF*

60. **The role of the MA, its internal functioning, its relationship with outside bodies is spelled out in detail in the SOP ENV**, making the functioning of the department within the Ministry rather self-standing and unique. This is largely determined by the legal requirements for management of Structural Funds (SF) and was agreed upon at the time of preparing the SOP (2006). Minor modifications were introduced since then.

- The Operational departments consist of: (i) Programming and Evaluation Unit (in charge of the preparation of strategies, evaluations, programming of next OP; (ii) the Structural Funds
Directorate (in charge of Axis 2, 4, 6); and (iii) the Cohesion Funds Department (in charge of Axis 1, 3, 5)\textsuperscript{15}.

- The Technical support directorate provides IT and management supports to the rest of the MA and is also the Beneficiary Body for Axis 6 (Technical Assistance). All training programs and other specific technical assistance contracts financed from Axis 6, and having as beneficiaries the Managing Authority and Intermediate Bodies, are coordinated by the Technical support directorate\textsuperscript{16}.

61. **There are eight Intermediary Bodies (IBs) located in the regions/districts for the SOP.** They are public organizations financed from the state budget and directly subordinated to the Ministry. Each IB is coordinated by an Executive Director and reports to the MA. Their role includes programming, monitoring, financial control and reporting for the SOP-ENV based on a delegation agreement with the MA. The Beneficiaries of the SOP ENV can be municipalities, associations of municipalities, companies owned by Municipalities, public entities and NGOs.

4.1.3 **General Directorate for Forests (GDF)**

62. **Responsibility for forestry within the MoEF comes under the General Directorate for Forests (GDF) which has three supporting Directorates.** The Policy and Strategy Directorate deals with forest policy issues, policy development, and the regulatory/legal framework for forestry, which includes the technical norms which govern activities within the forest. The Forest Development Directorate has responsibility for overall development within the sector including afforestation, forest infrastructure and the approval of forest management plans. The Control Directorate in addition to a hunting census / survey unit consists of 9 field based territorial inspection units (ITRSV), one of which is located in Bucharest. Under GD 333 of 21 April 2005, these have responsibility to organize and control inspection of forests for compliance with the law, regulations and technical norms, irrespective of type of ownership including across all forest activities / operations and to identify and follow up on illegal activities and determine the sanctions according to the law. They also have responsibilities regarding approval of technical designs, in relation to forest management planning, provision of consultancy/ advice to private owners, compensatory payments and maintenance of records.

\textsuperscript{15} Details on the scope and size of the Priority Axis are provided later in the report.

\textsuperscript{16} It should be noted that until recently, the technical assistance financed from the Structural Instruments was not used extensively because there were still available last pre-accession funds for Technical Assistance. These funds are now almost exhausted and it is therefore expected a much higher demand in the next period 2011-2013 for using the support from Axis 6 Technical Assistance.
Box 4.1 Complementarity/overlap with the operations financed by other OPs, EAFRD and EFF

The interventions foreseen under the SOP Environment are complementary with operations financed under other Programs financed by the Structural Instruments, EAFRD or EFF, mainly in the following fields (Axis 16):

- **Water and wastewater systems**, SOP Environment finances large-scale regional integrated projects including agglomerations of more than 10,000 p.e., as well as some agglomerations between 10,000 and 2,000 p.e., which are identified in the regional Master Plans as adequate for the regionalization of water services. NRDP finances small-scale projects in rural localities below 10,000 p.e. which are not included in the regional projects financed under SOP Environment. ROP finances small-scale projects in urban areas, not included in the regional projects under SOP Environment.

- **Energy efficiency and air quality**, SOP Environment supports the LCPs operating within the municipal heating systems to reduce gas emissions at the level of the plant, as well as to improve the energy efficiency at the level of plant and distribution network, through use of new technology and reducing losses of hot water; SOP Competitiveness finances LCPs providing electricity for the National Energy System for improving their efficiency and reducing gas emissions, in order to secure the electricity supply for the economy.

- **Rehabilitation of contaminated sites**, SOP Environment finances the closure/environmental rehabilitation of historically contaminated/polluted sites, which have negative impact on natural environment and human health. ROP supports the rehabilitation of abandoned industrial sites, in order to be reused for economic and social purposes.

- **Flood prevention**, major works on the main rivers carried out by the National Authority “Romanian Waters” are financed through the SOP Environment, while prevention works on the local small water streams are undertaken with EAFRD support. The afforestation measures under NRDP should ensure the sustainability of the flood prevention works.

- **Fire prevention**, specific actions supported under NRDP, except for measures undertaken within the protected areas, which are financed under SOP Environment.

- **Natura 2000**, drafting of management plans, development, operation and maintenance of infrastructure, setting up monitoring systems, as well as training and institutional capacity building for Natura 2000 sites are financed through SOP Environment, while EAFRD and EFF provide compensation payments for implementing the requirements for Natura 2000 sites.

- **Technical assistance**, the technical assistance priority axis under SOP Environment aims to ensure specific support for the management and implementation of the SOP, including specific training of the personnel, as well as the information and publicity of the interventions financed through SOP Environment; Technical Assistance OP ensures the horizontal training on Structural and Cohesion Funds implementation, SMIS maintenance and development, as well as the general measures on information and publicity of overall SCF assistance.

Other interventions aiming at improving the quality of the environment are financed through SOP Transport (sustainable development of the transport sector), SOP Human Resources Development (introduction of the environmental education in curricula training programs for enterprises in the field of sustainable development and environment protection), SOP Competitiveness (eco-labeling, introduction of environment standards, promoting use of renewable energy resources), NRDP (agro-environment and afforestation measures, development of ecological agriculture, improvement of soil management).

*Source: SOP-ENV Programming Document and MA staff*
4.1.4 Agencies under the authority of MoEF\textsuperscript{17}

(a) National Environmental Protection Agency (NEPA)

63. While MoEF is responsible for policy-making and planning, operational functions (implementation, monitoring and enforcement) are delegated to territorial agencies, the National Environmental Protection Agency (NEPA) and National Environmental Guard (NEG) (see Annex B1).

64. NEPA, as the environmental policy implementation arm of the central government, is a special agency responsible for enforcement and reporting on the nation’s state of the environment. It carries out these functions through the technical coordination of territorial environmental protection authorities at regional and local level (8 REPAS and 34 LEPAs). NEPA is responsible for ensuring that the local agencies have adequately trained staff. The main functions of the environment protection agency structure include: (i) issuing permits for all activities with a potential impact on the environment; (ii) collaborating with entities in charge of environmental inspections; (iii) monitoring environmental quality with a particular focus on ambient air quality and radioactivity. and (iv) reporting periodically on the state of the environment to MoEF.

(b) National Environmental Guard (NEG)

65. The National Environmental Guard is a separate institution in charge of monitoring and enforcement of the provisions of environmental permits. It coordinates with NEPA and local authorities. Its functions are seemingly distinct from the Inspection and Control Directorate within MoEF, which can also control compliance with environmental standards.

(c) National Environment Fund (NEF)

66. The National Environment Fund was set up in 2005 (G.E.O 196/2005) to manage funds from pollution taxes, fines, and green fees in order to support programs in six areas: renewable energy, forestry (afforestation of degraded lands), vehicle scrap, water supply and sanitation, urban greening, and NGOs, private associations, and religious groups involved in the environment. In addition, NEF’s mandate includes the management of revenues resulting from the trading of Romania’s allocation of some 300 million Assigned Amount Units (AAUs)\textsuperscript{18} and financing renewable energy (RE) and energy efficiency (EE) projects in public buildings.

67. Although set up under an autonomous governance structure, for all practical purposes, NEF is under the direct control of MoEF, as its president is appointed by the Minster (through a

\textsuperscript{17} There are also a number of other institutes that report to the Ministry, such as the Danube Delta Biosphere Reserve Authority, the Danube Delta National Research Institute (DDNRI), the National Institute for Marine Research and Development – Constanta and the National Agency for the Monitoring of Environmental Radioactivity. In view of their relatively minor size and role, these are not examined here.

\textsuperscript{18} International greenhouse gas emissions trading among Annex I (industrialized) countries under Article 17 of the Kyoto Protocol.
Prime Minister’s decision) who also approves its strategy, funding priorities, and annual plans. Its project approval committee is chaired by the Deputy Secretary General of MoEF. Moreover, while NEF functions as a revolving fund with an average annual €300 million worth of business, it also directly manages hundreds of contracts.

68. Given the revenue potential of NEF (e.g., from the sale of AAUs since this is part of the mandate of the Fund—although that would require significant and specialized capacity which is currently lacking in Romania), initial observations in order to make NEF a more effective instrument for environmental financing include: (i) better prioritization to more closely link funding to sector priorities, and performance; (ii) focus on funds programming, management, and monitoring and evaluation, and leave implementation to specialized agencies and/or project beneficiaries; and (iii) review the funds governance structure to make it autonomous but accountable.

(d) “Romanian Waters” (ANAR)

69. The National Administration for Romanian Waters (ANAR) is a public institution with financial autonomy, under MoEF coordination. ANAR is responsible for implementation of government strategies on water management, flood protection and safety of hydraulic structures at national level and with regards to the Danube River basin. Water management is conducted at the river basin level (decision making happens through River Basin Committees). ANAR’s approach is that water is a finite, vulnerable and strategic resource, which can create economic value without being a marketable commodity. ANAR is in charge of management of protected areas either for intake of water for domestic use or for habitants of aquatic species, as well as monitoring of areas vulnerable to nutrients and nitrates pollution (the entire territory of Romania is considered sensitive area). ANAR is involved in implementation of EC directives on water and flood risk management.

70. ANAR organizational structure includes a central office, 11 river basin directorates with legal authority, the National Institute for Hydrology and Water Management, and the Complex Hydraulic System “Stanca-Costesti” (to operate the dam, power plant and reservoir jointly with Republic of Moldova). The river basin directorates have a cross-county coverage and their county activity is conducted through water management systems (SGA), without legal authority, subordinated to river basin directorates (the geographic distribution of river basin directorates is shown in Figure 4.1).

71. ANAR has two strategic departments (river basin planning and water management infrastructure development) and two operational departments (water resources management and administration of water management infrastructure). This department’s organization at the central office is reflected at the the level of the river basin directorates.

72. The River Basin Planning Department is responsible for preparation and management of river basin management plans. These are to be developed in accordance with the EU Water Framework Directive (WFD) and the National Water Management Plan (NWDP). The NWDP is the main instrument for implementation of the WFD and will be further integrated into the Plan of the Danube River Hydrographic District. All river basin management plans have been
completed and their consistency with the NWDP is being finalized. These plans introduce a new concept of “body of water” defined by WFD, changing the approach in water management. River Basin Planning Department is also responsible for development, management, and update of the GIS database regarding implementation of WFD, monitoring and reporting to MoEF on the status of implementation of action plans for environment protection (water quality). The Department also coordinates and collaborates with neighboring countries on river basin issues.

73. The Department for Water Management Infrastructure Development is responsible for the development and implementation of new investment programs as approved by MoEF. The department also reviews and endorses new designs (subject to MoEF or Government approval, upon competences granted by the Law of Public Finance), prepares bidding documents and manages the tendering procedures. Further, the department is in charge of monitoring projects implementation, site supervision and take-over of new infrastructure after works completion. The department is currently managing about 300 ongoing projects (funded from state budget, foreign loans, the Environment Fund, and EU - under the SOP Environment) aiming at increasing dam safety, reconstruction of damaged infrastructure and construction of new infrastructure for flood protection, development of new, modern hydrological information system. A new field of activity involves the restoration of wetland areas along rivers.

Figure 4.1 Geographic distribution of river basin directorates

Source: ANAR
The Water Resources Management Department is responsible for management of water for users and regulation of water use through license and permits. This is based on detailed knowledge of the quantitative and qualitative evolution of water resources through regular measurements and testing activities in 41 accredited laboratories. In this respect, the department is in charge of management of about 140 bln. m³ of over ground and underground water annually. The department coordinates the data collection on hydrology and water management and preparation of periodic summaries, reviews and briefs for public information on physical, chemical, biological quality of rivers, quality, and trophic quality of water in lakes. In addition, the department contributes to monitoring the implementation of several EC directives (e.g., urban wastewater, IPPC, nitrates, groundwater protection, industrial pollution) through its regular activities.

The Department for Administration of Water Management Infrastructure is in charge with the management, operation, maintenance and monitoring of all hydraulic infrastructures and flood protection, and for preparedness and response in case of emergency. An important activity consists in monitoring safety of infrastructure (particularly dams and dykes) through regular inspections and preparation of periodic reports submitted to the National Commission on Dams Safety. On flood protection, the department is responsible for monitoring, at river basin level, the main parameters which could indicate imminent floods and trigger the structural and non-structural response mechanisms through alerts. The department has under its responsibility, through river basin directorates, almost 80,000 km of rivers, 270 dams and reservoirs, 122 natural lakes, as well as other hydraulic infrastructure.

With these highly technical responsibilities, ANAR is facing constraints on improving its efficiency because of staffing problems, including the highest staff turnover among skilled staff in its history¹⁹, the profile of its current staff (number, experience, and skills), and a constraint on its ability to attract talented recruits because of unattractive salaries and career prospects.

Finally, because state property in the water sector is not certified and registered in land books, it is subject to encroachments by squatters who occupy state land and jeopardize the safety of water sources. Therefore, survey and registration of state property is required urgently and funds need to be secured from the state budget.

(e) National Forest Administration (ROMSILVA)

The state sector is organized on functional lines with the ownership function discharged through the National Forest Administration (Romsilva) which manages the state forests, now comprising 3.3 million ha. The GDF has three directorates – Forests and Forestry Development, Forest Policy and Strategy and Forest Control which contains the regionally based territorial inspectorate (ITRSV).

In addition to managing state forests, Romsilva manages 22 of the 26 National and Nature Parks under agreement with the MoEF. In 2009 the parks became legal entities. The

¹⁹ Staff turnover is due to issues of compensation and career prospects, as well as the complexity of technical requirements of the job.
Forest Research and Management Institute (ICAS) which undertakes forest management planning, inventory and forest research reports to the Romsilva’s General Director although it is a separate legal entity and has its own budget. In 2002, through the government’s Emergency Ordinance 139/2002, the “National Company Thoroughbred Horses” (a joint stock company) was dissolved and taken over by Romsilva. In June 2005, the joint stock company, “Research and Development Institute for Breeding Fur Animals” was transferred to Romsilva and is now managed under the coordination of the Agriculture and Forestry Sciences Academy in Sisesti. A key objective of this transfer of horse breeding and fur bearing animals to Romsilva was to preserve what was considered a nationally significant gene pool and heritage.

80. Romsilva is organized along traditional lines for a state owned forestry enterprise. It has a headquarters (HQ) with a number of functional Directorates responsible for forest operations, reforestation and development, commerce, finance and horse husbandry. There is a small IT unit reporting to the Deputy Director General (DDG), while the human resource unit reports to the finance Directorate. Operationally, forest management planning, forest inventory and forest research are implemented not by the HQ Directorates but by ICAS – which is assigned the same level in the administration hierarchy as a County Branch. Romsilva’s operations are overseen by its Administration Council which comprises the Director General (DG) and representatives from (a) Ministries of Environment and Forests, Finance and Education, (b) Romsilva directorate directors, (c) ICAS and (d) County Branches. The Administration Council (AC) has a wide remit. It approves the organizational and functional structure of Romsilva at all levels, analyses and endorses the budget and financial statements, approves necessity for loans, decides on technical, financial and human resource competencies, and decides on establishing / dissolving subsidiaries etc. The AC meets on a monthly basis and more frequently depending on a needs basis.

81. The organizational structure at County Branch level is almost a mirror picture of that in HQ. There is a Director and Technical Director (TD) with a number of functional units and an Economic Director with a finance unit. Below the Branch office there are a number of forest Districts (FD) each with a number of forest ranges and depending on local circumstances one or more units with responsibility for hunting area, wood processing, road maintenance, non-timber business unit (e.g. fish farm), etc.

82. The privately owned forests are legally bound to be under a forest administration. Some one million ha of private forests are administered by Romsilva with the remainder organized through approximately 132 Private Forest Districts / Administrations. There is a small area of private forests which as yet is not under any administration / management. In addition, private forest owners are also organized into a number of forest associations. The national umbrella organization (APPR) for the associations, although still in existence, has ceased to operate.

83. Finally, the implementation of the forestry measures, e.g. forest roads, training, afforestation and Natura 2000 payments within the National Program for Rural Development (NPRD), come under the responsibility of the Paying Agency for Rural Development (APDRP) within the Ministry of Agriculture and Rural Development.

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20 The size of the forest range is subject to regulation being a minimum of 3000 ha (for plains), 5000 ha (for hills), and 7000 ha (for mountains).
4.2 Sector Performance

4.2.1 Effectiveness of the environment regulatory function

84. Environmental Assessment & Permitting (EA&P) is the main regulatory function of the sector; its design and effective implementation impact both the efficiency of implementation of development projects and private sector investments in all areas of activity (in terms of time and cost of risk mitigation), and the sustainability of environmental resources and the protection of human health. The basis upon which environmental assessment and permitting are undertaken are two key EU Directives: (i) Environmental Impact Assessment (EIA) Directive 85/337/EEC, which sets the rules for assessments for individual projects (e.g., power plant, dam, highway, airport, industrial production), and (ii) Strategic Environmental Assessment (SEA) Directive, which applies to public plans or programs. These procedures are subject to extensive public consultations.

85. In Romania, the system is comprehensive but complex and involves five main separate permitting procedures/schemes. Consistent with EU Directives, at the core of the system is the EIA requirement for projects in Annex 1 and Annex 2 listed projects (see Box 4.2, for definition), augmented by additional procedures: (i) SEA when plans and programs are involved, (ii) Appropriate Assessment (AA) when Natura 2000 are present, (iii) Integrated Pollution Prevention and Control (IPPC) for industrial and agricultural activities with high pollution potential affecting the atmosphere, water and soil, and (iv) Environmental

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**Box 4.2 Project classification under EU EIA Directives**

The EU EIA Directive (85/337/EEC) is in force since 1985 and has been amended three times, in 1997, in 2003 and in 2009. It applies to public and private projects, which are defined in Annexes I and II:

(a) **Mandatory EIA:** all projects listed in Annex I are considered as having significant effects on the environment and require an EIA (e.g. long-distance railway lines, motorways and express roads, airports with a basic runway length ≥ 2100 m, installations for the disposal of hazardous waste, installations for the disposal of non-hazardous waste > 100 tonnes/day, waste water treatment plants > 150,000 p.e.).

(b) **Discretion of Member States (screening):** for projects listed in Annex II, the national authorities have to decide whether an EIA is needed. This is done by the “screening procedure”, which determines the effects of projects on the basis of thresholds/criteria or a case by case examination. However, the national authorities must take into account the criteria laid down in Annex III. The projects listed in Annex II are in general those not included in Annex I (railways, roads waste disposal installations, waste water treatment plants), but also other types such as urban development projects, flood-relief works, changes of Annex I and II existing projects).

authorization (EA) which establishes operating conditions for all projects requiring an environmental assessment. (The detailed permitting system with the various procedures is presented in Annex D\textsuperscript{21}).

86. Consistent with EU regulations, in Romania the SEA and EA procedures are part of the development approval process, and permits are issued by local authorities as part of the urban planning certificate, but the initial environmental screening is undertaken by the local EPAs (thus a very close working relation between municipal councils and local environmental authorities).

87. Currently, the EA&P implementation is encountering major problems, and the system is overburdened. Three structural limitations will need to be addressed in order to improve the efficiency of the whole system.

\( (a) \text{ Lack of risk-based approach in EA permitting} \)

88. Significant progress has been made in the transposition and implementation of the EIA Directive provisions (Governmental Decision no 445/2009). However, recent modifications of the Construction Law (no 50/1991) introduced to ensure better participation by the public in the environmental permitting procedures has led to a de facto equal treatment of all economic and development activities in

\textsuperscript{21} In the addition to the five main procedures described system is also burdened by a number of other specialized procedures required under the environment Acquis, such as: the authorization procedure for collecting flora; the procedure for obtaining authorization for greenhouse gases, the registration procedures of waste management for producers of EEE, packaging, batteries, etc.; procedures for approval of waste shipments and hazardous chemicals; the procedure for obtaining a permit for sludge application in agriculture; common procedures with other ministries to obtain approval for the example of biocides.
terms of EA process, irrespective of scope and severity of their environmental impacts. According to NEPA officials this has resulted in NEPA and its regional/local structures having to undertake over 60,000 reviews in 2010, leading to considerable delays of the entire permitting process and increasing tensions among different authorities, as well as impacting the quality of the review and decision process. By year’s end, some 12,725 environmental decisions were issued, 75% of which were environmental permits not requiring an environmental assessment (Figure 4.3). Compared to other EU countries, the number of EIAs required in Romania appears to be 20-30% lower (Figure 4.4).22

(b) Enforcement of EA permits requirements

89. Currently the EA permits (scoping, feasibility, and operating phases) are the responsibility of the NEPAs/REPAs/LEPAs, but inspection and enforcement rests with the Environment Guard.23 The acquis itself does not address the issue of the institutional set-up as the separation of functions into different institutions is clearly a prerogative of the Member States.

90. The issue of consolidation of the permitting and inspection functions—which exists in many EU countries—has been raised during this review as a possible way of streamlining and improving the efficiency of the EA process. This has to be weighed against the risks posed by potential conflict of interest in case of consolidation. But a key question is how important is the information received from the inspection and enforcement activities in determining permit requirements. If permitting and enforcement are undertaken by separate institutions, it is necessary that both work closely together so that information from inspections can be used in revision of permits. A separation of functions is useful to avoid conflict of interest and therefore is legally more appealing. However, it becomes much harder to operate where the conditions in permits are closely linked to local environmental conditions (i.e. not just following national/EU standards). In this case inspectors, environmental monitors and permit issuers must work closely to determine what is required and what is achievable. This argues for the two authorities to be part of the same institution, separate and yet ensuring full interface and resulting in better service delivery.

(c) Quality of Environmental Assessment Reports

91. The quality of EIAs is considered uneven and in many cases inadequate, in part because of a lack of operational guidelines on the content, methodology, and quality assurance of environmental reports and this directly impacts on projects seeking EU funding. Such guidelines would help both project developers provide adequate information during the scoping phase and prepare terms of reference for consultants, and for the Local and Regional Environmental Protection Agencies when reviewing information submitted by project proponents. This process

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22 Data in Figure 4.4 is based on a survey undertaken on behalf of DG Environment to review the implementation of the EIA Directive (GHK 2010). Several countries including Romania did not provide data for the survey, and therefore, the number of annual EIAs was estimate using population and income for development activity requiring EIAs (in the case of Romania, data from Figure 4.3 on environmental agreements including for IPPC is used).
23 The Ministry’s Inspection Directorate also undertakes certain types of inspection and enforcement activities. In addition, the forest sector has its own inspection department.
should be done in phases, starting with projects under Annex I and Annex II of the EIA Directive which can be co-financed by EU structural funds, particularly water and wastewater projects under SOP Environment. In principle, there should be enough resources in the TA component of the SOP Environment—or supplemented through state funding—to support strengthening these critical operational processes and minimize costly implementation delays.

4.2.2 Effectiveness of implementation of the water policy

92. The water policy is governed by indicators set both at EU and at national level and the assessment of the MoEF effectiveness in meeting the objectives of the Government is not an easy task. Implementation of the water policy require a wide range of activities, from legislative and regulatory decisions to investment programs to meet the targets, monitoring activities to confirm improvements, and raising awareness of authorities and the population on the need to contribute to the protection of water resources to actions on preparedness in case of floods.

93. The harmonization of the Romanian legislation and regulatory framework on water management with the EU Water Framework Directive was completed before EU accession. The process continued after January 2007 with reflection of new directive on flood protection in the Romanian legislation and amendments to other legislation to comply with the changes in the EC directives or regulations or changing demands of the society. A major challenge is represented by the need to monitor implementation of this legislation and with the development of the regulatory framework at river basin level including all water streams and catchments comprised.

94. Flood protection is an important component of the water policy. A new Government strategy on flood risk management was approved in the summer of 2010 (based on the principles set by the EU Directive on Flood Risk Management enacted in October 2007), establishing the responsibilities for enhancing the protection against floods at river basin level.

95. Although many activities to enhance protection against floods have been implemented in Romania in the past 100 years, most of them have addressed localized problems with little integration of actions. The endemic lack of funds has prevented implementation of necessary works and left many communities unprotected. Many of the projects developed over 20 years ago are still being implemented with increasingly fewer funds allocated to them. The new flood protection strategy integrates new technological means into the assessment of flood risk and vulnerability, review at river basin level and for sub-catchments the protection provided by the existing infrastructure requiring a deeper involvement of local authorities and population and periodic training on personal and community rescue operations. Although significant steps have been made towards implementation of the strategy, much remains to be done.

96. Periodic reports prepared either by the AFWM directorates, by ANAR or by technical commissions (such as the National Committee for the Safety of Large Dams – CONSIB) are subject to review and analysis by MoEF management. A recent important strategic decision was taken to include in the new National Program for Infrastructure Development, investment projects for dam safety and flood protection which were either not eligible for financing or for which funds were insufficient under the SOP Environment. This decision enabled the allocation of fresh funds to increase the safety of a number of large dams at serious risk of failure or that
could not be operated at the designed parameters, affecting the human, economic, and social activities in their area of concern.

97. In implementing its mandate regarding water management and flood protection, MoEF and ANAR collaborate with various other actors from within or outside the sector. Close collaboration exists between AFWM and ANAR, as ANAR is the implementation arm for the capital investment program for flood protection, water management and dam safety. In addition, ANAR is in charge of management, operation and maintenance of all water bodies (rivers, lakes, and groundwater), water retention dams and about half of the flood protection infrastructure. AFWM also collaborates with other ministries in the Inter-ministerial Committee of Water Quality (established in 2007), assuring its technical secretariat. A similar arrangement should be considered for flood protection. Currently, MoEF leads the Ministerial Committee for Emergency Situations - Floods where it collaborates with other ministries, the General Inspectorate for Emergency Situations (IGSU), and local authorities, as appropriate.

98. There are overlapping responsibilities with respect to flood protection as, besides ANAR, two other institutions have specific responsibilities for flood protection. These are Hidroelectrica S.A. (the main hydro power generation company) and the National Administration of Land Reclamation (ANIF). Hidroelectrica S.A., a state-owned commercial company under the authority of the Ministry of Economy and Commerce (MEC), is in charge of hydropower generation for dams and plants located on main rivers (Siret, Olt, Prut, Arges, Lotru, etc.), but it also contributes to flood protection through attenuation of floods in the reservoirs behind their dams. ANIF, a public entity under the authority of the Ministry of Agriculture and Rural Development (MARD), covers a large area with flood protection infrastructure under its authority, including embankments and small reservoirs protecting mainly agricultural land. In particular, ANIF manages all dykes along Danube River (1,200 km), from the border with Serbia to the Delta. Despite a reasonable level of collaboration between ANAR and ANIF during floods, the latter does not have the funds required annually for maintenance and safety of dykes and canals. It is, thus, recommended that flood protection activities (for infrastructure not designated for power generation) should be consolidated under the responsibility of MoEF through ANAR.

4.2.3 Effectiveness of implementation of the forest policy

99. There are a number of clearly identifiable barriers to policy implementation. The NFPS lacks a clearly identified series of priorities and agreed indicators of achievement against which the implementation can be measured. The lack of any formal procedure defined within the NFPS for monitoring and reporting progress on policy implementation has left a vacuum with the result being that implementation is reactive to changes and issues arising within the sector on an annual basis, thus lacking any continuity or imparting ownership of the NFPS itself. Furthermore, there is a fragmentation and a disconnect within the sector between various entities responsible for initiatives which support policy implementation (GDF, NEF, Romsilva, NPRD).

100. The extent of the three phases of forest restitution (Laws 18/1991, 1/2000 and 247/2005) was never envisaged and has resulted in an almost having of the state forest under Romsilva and the creation of 830,000 private forest owners, many of which have small parcels of forest. Indeed the pattern of restitution has left resulted in fragmentation of the state forest in some areas
making management more difficult. Moreover, restitution is still not complete and there are approximately 500,000 ha awaiting decision. While these areas are under decision, the forest areas must still be guarded by Romsilva but cannot be actively managed through required felling interventions under the Forest Management Plan (FMP) or indeed needed silvicultural activities.

101. The implementation of Natura 2000 has proven problematic in Romania and this applies equally to the forest sector. More than half of the Natura 2000 area is forests, albeit mainly in forests with a protective function. To implement the FMP which in turn supports the policy objective of sustainable forest management (SFM) in these areas requires an environmental assessment of the proposed activities, which can be expensive and result in mitigation measures which are overly prescriptive.

102. The collection of field data for the first statistically based National Forest Inventory (NFI) began in 2008 and by the end of 2010 circa 65% of field data has been collected. Funding has been intermittent and for 2011, ICAS will receive only 15% of the required budget. The NFI, due for completion in 2012, is required to enable Romania to not only report nationally on the state of its forest resources but also fulfill its international reporting requirements to Eurostat, FAO, MCPFE and UNFCC and to underpin future development of the wood industry sector. It also has the potential to facilitate national carbon accounting for forestry and increasing the reported levels of sequestration significantly.

4.2.4 Absorption of EU funds

103. The SOP ENV strategy for 2007-2013 focuses on investments and collective services which are required to increase long term competitiveness, job creation and sustainable development. The total budget of the program is around EUR 5.6 billion and the Community assistance amounts to EUR 4.5 billion (approximately 23% of the total EU funds invested in Romania under Cohesion policy 2007-2013).

104. In order to achieve these objectives, EU and Government funds are allocated towards the implementation of the following priority axes (details in Table 4.3 below):

1. Priority axis 1: Extension and modernization of water and wastewater systems;
2. Priority axis 2: Development of integrated waste management systems and rehabilitation of historically contaminated sites;
3. Priority axis 3: Reduction of pollution and mitigation of climate change by restructuring and renovating urban heating systems towards energy efficiency targets in the identified local environmental hotspots;
4. Priority axis 4: Implementation of adequate management systems for nature protection;
5. Priority axis 5: Implementation of adequate infrastructure of natural risk prevention in most vulnerable areas; and
6. Priority axis 6: Technical Assistance.²⁴

²⁴ The aim of this priority is to ensure an efficient implementation of the entire OP ENV. It will contribute to the increase of absorption capacity of EU funds by supporting projects identification, strengthening the administrative
Currently (as of end February 2011) the absorption of funds under this OP at 12.6% (when both contracted and disbursed funds are taken into account), of which 7.2% are actual payments. This is a better absorption rate than the country as a whole, but still disappointing when compared to other countries. (Figure 4.5).

Table 4.3: Status of EU Funds absorption under OP Environment (by axis)

<table>
<thead>
<tr>
<th>Environment SOP 2007-2013</th>
<th>EU financing committed (approved projects) at February 28, 2011</th>
<th>EU contribution/total allocation (b/a*100)</th>
<th>Prefinancing</th>
<th>PAYMENTS TO BENEFICIARIES</th>
<th>Reimbursed</th>
<th>EU contribution</th>
<th>State Budget</th>
<th>TOTAL payments (d+e+f)</th>
<th>EU contribution/total allocation (d+e/a*100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Program</td>
<td>4,512,470,138</td>
<td>2,179,003,581</td>
<td>48%</td>
<td>266,819,411</td>
<td>56,268,028</td>
<td>10,521,944</td>
<td>333,609,383</td>
<td>7.16%</td>
<td></td>
</tr>
<tr>
<td>Priority Axix 1</td>
<td>2,776,532,160</td>
<td>1,751,578,675</td>
<td>63%</td>
<td>213,783,150</td>
<td>49,939,185</td>
<td>9,342,657</td>
<td>273,064,992</td>
<td>9.50%</td>
<td></td>
</tr>
<tr>
<td>Priority Axix 2</td>
<td>934,223,079</td>
<td>226,532,531</td>
<td>24%</td>
<td>31,730,230</td>
<td>511,300</td>
<td>155,308</td>
<td>32,396,838</td>
<td>3.45%</td>
<td></td>
</tr>
<tr>
<td>Priority Axix 3</td>
<td>229,268,644</td>
<td>89,453,101</td>
<td>39%</td>
<td>18,532,344</td>
<td>354,518</td>
<td>742,015</td>
<td>19,628,877</td>
<td>8.24%</td>
<td></td>
</tr>
<tr>
<td>Priority Axix 4</td>
<td>171,988,693</td>
<td>56,967,253</td>
<td>33%</td>
<td>2,773,686</td>
<td>2,830,892</td>
<td>281,965</td>
<td>5,886,543</td>
<td>3.26%</td>
<td></td>
</tr>
<tr>
<td>Priority Axix 5</td>
<td>270,017,139</td>
<td>18,055,701</td>
<td>7%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Priority Axix 6</td>
<td>130,440,423</td>
<td>36,416,320</td>
<td>28%</td>
<td>0</td>
<td>2,632,133</td>
<td>0</td>
<td>2,632,133</td>
<td>2.02%</td>
<td></td>
</tr>
</tbody>
</table>

Note: used exchange rate 1 euro = 4.2873
Source: MoEF - MA SOP Environment

The table above shows the status of EU Funds absorption under OP Environment (by axis). It provides a detailed breakdown of EU financing committed, EU contribution/total allocation, prefunding, payments to beneficiaries, reimbursed payments, EU contribution/state budget, total payments, and EU contribution/total allocation. The data is sourced from MoEF - MA SOP Environment.
While important steps have been made in the commitment of funds, especially under Axis 1 of OP ENV (water and sanitation); the payments rate remains low making the problem with absorption acute. Clearly at the current rate of payments, the risk that funds will have to be decommissioned is real. It is estimated that, if the existing absorption rate does not accelerate, reimbursement amount will only be reach its allocation (based on actual commitment) by 2020. This would clearly not be feasible in view of the implementation procedures of the Structural Funds.

Several factors have contributed to the existing worrying situation. The Managing Authority (MA) had a very steep learning curve for implementation of the OP-ENV, as this was the first programming period for Romania. The rules of the game kept changing, new requirement added and procedures continuously revised, including due to the extra level of scrutiny to which all agencies were submitted, because of a general suspicion of corruption in the country. Rules related to cumbersome procurement, lack of standardized documentation, and coordination among agencies involved in procurement, as well a demanding, and possibly excessive audit requirements, have caused and continue to pose a challenge to the rapid implementation of the OP.

The MA was faced with an enormous task while at the same time having to staff itself. It also found difficult to apply on lessons learned from other countries as implementation problems tend to be very country specific. Additionally, the local culture of culture and of pushing decision up the decision-making ladder was not conducive to an environment where staff had to
continuously identify pragmatic solutions. While this approach allows fast decision making it also resulted in a substantive number of financial corrections ex-post.

109. Staffing was and continues to be another constraining the effective functioning of the MA. Number of staff, inadequate staff qualification, and lack of incentive to retain staff are resulting in high staff turnover. Inadequate staffing salary and limited ability to provide incentives to staff has stretched human resources beyond breaking point. Because of the excessive workload and available opportunities elsewhere, staff often takes up work elsewhere and it is hard to attract staff from other parts of the Ministry because of the excessive workload in front of limited additional pay.

V. Cross-Cutting Issues

110. The initial review identified six cross-cutting areas, which will be assessed in more details in the next phase; these are: (i) strategic framework; (ii) policy planning; (iii) staffing, incentives and performance; (iv) information technology; (v) procurement; and (vi) budget and financial management. While initial observations about the first three have been included in the sub-sectoral narratives above, and information technology and procurement will be reviewed more fully during the next phase, in the final section below more detailed observations are provided for budgeting and financial management.

5.1 Budget and Financial Management

5.1.1 Budget structure and execution

111. The main activities of the Ministry of Environment and Forests (MoEF) in the budget execution area include: (i) in-year financial planning and release of funds; (ii) payment processing; (iii) accounting and reporting; (iv) internal financial control; and (v) internal audit. The Economics and Finance General Directorate (EFGD) manages the cash releases and therefore plays a key role in budget execution and cash planning in addition to its functions in expenditure programming and budget preparation.

112. The EFGD includes three departments: a) Financial; b) Accounting; and c) Budget. The internal financial preventive control functions are organized within the accounting department. The EFGD is headed by the general director, who reports to the MoEF Minister and to the State Secretary in charge with finance, economics and budget activities. The staff structure of EFGD has been more or less appropriate until recently, however, the severe staff cuts as of mid-2010 and other staff departure in response to the salary cuts are reported to have led to an unsustainable staffing situation in the EFGD, with an estimated deficit of about 20 staff from the total 30 staff positions included in the EFGD organigram. It is unclear when these staff positions will advertised, given the continuing hiring freeze, whereby only one position can be advertised for every seven positions that are closed (staff retiring or positions eliminated).
113. **In 2010, the Ministry of Environment and Forests administered policy measures funded by a state budget allocation of about RON 1.8 billion as well as EU funds of about RON 5.1 billion equivalent.** The latter are mainly employed for policy measures under the EU-co-funded Sector Operational Program Environment (SOP ENV). For the ongoing programming period 2007-2013 and in accordance with the EU funding and financial management principles, Romania finances MoEF activities25 out of three main funding sources:

- **European Regional Development Fund (ERDF):** The ERDF aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions, by financing direct aid to investments, infrastructures, financial instruments and technical assistance measures. The ERDF can intervene in the three objectives of regional policy, namely convergence, regional competitiveness and employment, and European territorial cooperation.

- **Cohesion Fund (CF):** The CF serves to reduce economic and social shortfall in Member States whose Gross National Income per inhabitant is less than 90% of the Community average, as well as stabilizing their economy. The activities under trans-European transport networks and environment categories are eligible for CF financing, in addition to energy and transport projects with a clear evidence of environmental benefit.

- **State Budget of the MoEF, and subordinated agencies:** Financing from national budget sources applies to (i) the public counterpart-financing for expenditure incurred under the SOP Environment; and (ii) any national programs under the management of the Ministry of Environment and Forestry and its subordinated agencies.

114. **About three quarters of the total budget envelope is dedicated to transfer payments. The remaining quarter primarily covers operational expenses and capital investments** of the Ministry of Environment and Forests and its subordinated agencies. Transfer payments are mainly granted for purposes of the SOP ENV, specifically for:

- Extension and Modernization of Water and Wastewater systems” (Axis 1), supported by the Cohesion Fund.
- Development of Integrated Waste Management Systems and Rehabilitation of Historically Contaminated Sites (Axis 2), supported by the ERDF.
- Reduction of Pollution and Mitigation of Climate Change by Restructuring and Renovating Urban Heating Systems towards Energy Efficiency Targets in the Identified Local Environmental Hotspots (Axis 3), supported by the Cohesion Fund.
- Implementation of Adequate Management Systems for Nature Protection (Axis 4), supported by the ERDF.
- Implementation of Adequate Infrastructure of Natural Risk Prevention in Most Vulnerable Areas (Axis 5) supported by the Cohesion Fund.
- Technical Assistance (Axis 6), supported by the ERDF.

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25 Note, however, that forestry-related investment grants are being provided under the EU Common Agricultural Policy and are thus domestically financed under the MADR-managed NRDP.
115. As is the case in other reviewed Ministries, the current budget structure is a proper means of accounting and broadly complies with the requirements as per the public finance law. However, both the budget’s structure and its display limit its usefulness as a tool for strategic resource allocation, effective management, performance measurement and accountability. The budget is primarily a functional budget, in line with legislation and reporting requirements from the Ministry of Public Finance (MOPF) and consistent with the medium-term framework issued by MOPF. It does not allow, however, for a clear and easy-to-read delineation of spending between the Ministry and the individual subordinated units, nor a distinction between budgeting for current activities, payment of past debt or uncertain future activities. It also does not identify which department is in charge of which budget. The use of performance parameters is basic and oriented towards outputs rather than strategic outcomes. It therefore provides very little accountability and little feedback on implementation and performance, and it does little to inform leadership about simple strategic questions such as the administrative cost of delivering key policy programs.

116. Though the budget structure applied across the Romanian administration is a functional and not a program budget structure, a basic program budget structure is annexed to the main budget document. This is meant to facilitate the use of the budget (annex) as a strategic funding allocation resource. Budget formulation and execution for the Ministry of Environment and Forests are currently structured into seven programs:

- Environmental Protection, Nature Conservation, Biodiversity, Air Quality, Climate Change, and Waste Management Program;
- Water Resource Management Program;
- Infrastructure Program for Water Management, Flood Protection, and Dam Safety, financed by the National Program for the Development of Infrastructure;
- Sustainable Forests Development Program;
- Meteorological Activities Management Program;
- Institutional Capacity Building Program for the Ministry;
- SOP ENV.
The delineation of programs within the Ministry’s budget largely matches the organizational structure of the Ministry. This is a noteworthy observation since this not commonly observed across other line ministries, and it is made easier since the Ministry has three distinct and clearly delineable business areas: environment, water, and forestry. The currently applied program structure (i) provides for enhanced accountability by allowing for partial budget-to-unit matches, (ii) fosters financial monitoring and feedback, and (iii) informs budget formulation for the next budget cycle. However, more than three quarters of the Ministry’s non-SOP program budget finances a single program, namely the Environmental Protection, Nature Conservation, Biodiversity, Air Quality, Climate Change, and Waste Management Program and relates to activities conducted under various organizational units.
118. **Budget annexes further provide for an initial form of program performance measurement.** Both programs and sub-programs are accompanied by a selective set of key performance indicators which potentially link budget and performance management functions in the Ministry. It is not clear, however, whether these indicators are actually used in operational budget monitoring, as a means of determining strategic priorities, or in justifying budget allocations for subsequent budget cycles.

119. **Ultimately, the Ministry of Environment and Forests would benefit from a shift to a full program budgeting approach.** This, together with a renewed formulation process, would provide for a more strategic and efficient use of scarce resources by enhancing strategic allocations and promoting decentralization of decision making powers. It would also create more accountability, foster financial monitoring and feedback, and inform budget formulation for the next budget cycle. Program budgeting would allow the Ministry to clearly match the budget to its priorities. It would define objectives for each program, and its supporting budget would be consistent with measurable objectives. It would take into consideration the timing of program implementation and would identify departments or agencies responsible for budget implementation and results.

120. A program budgeting format would also improve the formulation process as it would more easily identify strategic tradeoffs. Rather than receiving requests from subordinated agencies primarily based on current spending levels and trying to “fairly” divide up scarce resources, the Ministry management and its policy unit would set clear priority guidelines on a yearly basis, within a continuously updated medium-term expenditure framework. These priority guidelines would in turn help the agencies and directorates propose a budget. The consultation mechanism should also improve through the program budgeting and empower each managing unit to design and be accountable for their own budget. A working committee of the Ministry’s leadership would then make final budgetary decisions.

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**Box 4.1: An example of performance-based program budgeting: Slovakia.**

All budget lines in Slovakia’s line ministries are associated to underlying performance indicators (most of them qualitative). Progress towards target realization is closely monitored. Mid-year reviews assess progress towards target achievement. Activities in risk of underachievement are being put under close monitoring and management supervision. A sanction system for non-performing budgetary positions is in place and also applies to subordinated or associated institutions that receive budget support. Budget supported agencies and institutions face the risk of having to return budgetary contributions in the case of non-achievement of defined targets stipulated in their performance-based contracts; discontinuation of budget support might be the consequence of repeated underperformance. Overall, the strict enforcement of performance-based program budgeting has substantially contributed to the quality of the monitoring and management of budget chapters.

*Source: Slovakia 2008 Public Expenditure Review, The World Bank*
121. Already now, strategic budget formulation and planning and strategic budget oversight by senior management appears significantly more effective than in many other line ministries. Management, including the most senior political leadership in the Ministry, is reported to attach high importance to strategic resource prioritization. Though suffering from known government-wide restrictions to flexibility in budget formation, budget formulation for only a limited number of units is incremental (mostly for administration support units). For other units and program, allocations are being conducted as a function of policy priorities and stage of the implementation progress for the respective program. Final decision on budget allocations are being taken by the Minister based on proposals provided by the Directorate General for Economics and Finance following consultations with all technical departments and sub-/co-ordinated agencies. The Minister’s as well as the DG’s decisions are reportedly mainly guided by the Ministry’s multi-annual strategy.

122. Budget execution mainly for state budget funded mandates is closely monitored by the General Directorate of Economics and Finance and regular (weekly reports) are being provided to senior and operational managers across the ministry. The General Directorate monitors compliance with budget and procurement plans to avoid significant undesired deviation from budget plans. As a function of regular spending reviews, the Ministry reportedly controlled its budget execution and strategic use of scarce resources quite successfully. The various spending units have their own budget monitoring and technical General Directorates get regular updates on absorption data. While monitoring appears appropriate and well targeted, discussions have highlighted further improvement potential in terms of report format, data display, and categorization.
123. **Quarterly spending limits do reportedly not constitute a notable constraint to budget execution** and the DG for Economics and Finance attributes this to a diligent advance strategic planning process during budget formulation. Contrary to other line ministries (such as e.g. Ministry of Agriculture and Rural Development were income support payments to farmers are due along an EC-mandated schedule) quarterly mismatches do not lead to financial penalties by the EC. Also, the 2011 quarterly allocations have shown great improvements in matching quarterly resource assignments by the Ministry of Public Finance to the actual financing needs of the Ministry of Environment and Forestry.

124. Generally, the DG for Economics and Finance appears to execute overall oversight and monitoring functions in an effective manner. However, and though less pronounced than in other comparable line ministries, **budget management still follows a bi-polar approach between EU-funded and national programs**. The only programs for which planning information is consolidated are the EU-funded programs, primarily for two reasons: (i) the underlying expenditures under the European Funds are executed through two subordinated agencies and (ii) the financial architecture underlying these programs is subject to clearer financial management rules and multi-annual programs agreed upon with the European Commission.

125. **Two key constraints facing the DG for Economics and Finance are the lack of staff and limited financial management capacities of local beneficiaries.** *First*, the staff cuts as of mid-2010 are reported to have led to an unsustainable staffing situation in the DG, with an estimated deficit of about 20 staff. Although the shortage of staff has not currently led to a decrease in the quality of the work or an increase in delivery time, the sustainability of this level of staffing is questionable. *Second*, the financial and project management skills of local beneficiary units are reported to constrain the DG’s ability to even better project and manage quarterly and annual budget allocations.

126. **Some other challenges to budget formulation and execution are clearly cross-sectoral by nature** and would require an amendment to laws or regulations. However, the Ministry could already build a number of internal budget management tools within the current legal framework. Rather than wait for changes to public finance law, the Ministry can start building an internal program budgeting tool that would facilitate strategic budget formulation, monitoring and accountability towards program objectives. Instead of building a program budget based on the official functional budget, the Ministry could put in place a process of program budgeting which would then provide the basis for the functional budget for MOPF. Such budget would include strategic priorities of the Ministry, outcome indicators, detailed budget and headcount, and identify which department is in charge of implementation. It should allow for clear and regular updates not only on sectoral indicators but also on process performance.

127. **MoEF budget-related functions benefit from a comprehensive, hands-on management style and constant procedural improvement**. MoEF staff report the following as key success factors for state budget management in the Ministry:
Final Report

- Strong, interested, committed, involved, and understanding leadership by senior management;
- Open-door policy of key units/officials in charge of strategic budget decisions;
- Tight monitoring ("aggressive approach to monitoring") so reports are of high accuracy and timeliness;
- Consistency (over time and in substance) of instructions received from senior management

5.1.2 In-year financial planning and release of funds

Allotment procedure

Allotment procedure

128. After the approval of the annual budget law, the main spending authorities (ordonatori) draft quarterly budget implementation plans which are reviewed by the EFGD and approved by the MoEF Minister. The main spending authorities include presidents of subordinated agencies, heads of other public authorities and specialized agencies and chiefs of autonomous public entities and state owned enterprises. Once the quarterly budget implementation plans are approved, the main spending authorities distribute the approved budgetary credits for their own budget and for their subordinated public entities or units, whose managers are secondary or tertiary spending authorities. Then, the secondary spending authorities distribute the approved budgetary credits for their own budget and their subordinate tertiary spending authorities.

129. To ensure prudent budget execution, the main spending authorities are required to allocate in their budget implementation plan 10% of approved funding as a reserve, with the exception of personnel expenditures and funds related to external liabilities, which are entirely distributed. This reserve is distributed during the second half of the year.

Cash releases

Cash releases

130. Cash is released through monthly “credit opening” (deschidere de credit). Main spending authorities present each month several requests to the EFGD for cash releases, which should be in line with the quarterly spending limit. These requests are accompanied by a note presenting the operations that will be financed. After these requests are reviewed, the “credit openings” are authorized and thus cash availability is released to main spending authorities. These “credit openings” are recorded in the Treasury payment system. Then, the authorized cash releases are distributed in cascade within the main spending units.

131. The EFGD exercises a tight control over credit releases, through the combination of quarterly cash limits and monthly credit opening. Such controls may help keeping cash under control, when the budget is not based on realistic revenue estimates. However, this process is time-consuming and involves a large number of checks and verifications. The process affects negatively expenditure management at the lowest administrative level when the distribution of “credit openings” within MoEF is approved with some delays. It also risks generating arrears if
the cash releases do not take into due account the payment schedule related to the existing commitments, or if the cash releases are limited due to the overall limited funds availability.

5.1.3 Payment processing

132. An effective Treasury Single Account system is in place. All cash transactions are channeled through the Treasury account at the central bank, with the exceptions concerning transactions in foreign currency, which are processed by commercial banks. The MoEF and subordinated entities’ accounts are kept with the Treasury. Payments are made to these accounts through the Treasury information system generally within one day. The subordinated entities lack an effective system to monitor that the funds have been made available to them and they rely heavily on frequent informal checks by telephone with MoEF financial staff and with the Treasury as to whether the funds have been made available.

133. Spending authorities have to bring payment orders (ordonantare) to the Treasury branch offices. This procedure, although required by Law on Public Finance (500/2002), is cumbersome, time consuming and involves significant paperwork and signatures. Up to now, problems related to the legal authorization for electronic signature prevent the automation of the transmission of payment orders from spending authorities to Treasury branch offices. At the Treasury branch offices, the payment orders are generally scanned (a payment order includes a bar code) or manually processed to be registered in the Treasury data base.

5.1.4 Accounting and Reporting

134. Main, secondary and tertiary spending authorities of the State budget and other government entities keep their accounts using the accrual accounting method (e.g. they account for depreciation of fixed assets). There is a unified chart of account for the central and local government units. The government has already implemented, from 2003 to 2010, 18 International Public Sector Accounting Standards (IPSAS) accrual accounting standards (among a total of currently 31 standards). Consolidating the implementation of these standards and implementing further IPSAS standards will require further training and close supervision. This is being addressed separately by the Bank, through a technical assistance with the Ministry of Public Finance (MoPF).

135. MoEF and the main spending authorities prepare quarterly and annual financial statements, which include:

- A report on budget execution which shows: (i) the commitment authorization; (ii) the initial payment budgetary credit; (iii) the revised budgetary credit; (iv) the budgetary commitments (reservation of the budgetary credit for a specific use); (v) the legal commitments; (vi) the payments; (vii) the verified expenditures including unpaid expenditures; (viii) monthly reports on salary expenses.

- A balance sheet that shows assets and liabilities.

134. MoEF consolidates these financial statements and then, they are centralized by the Public Institutions Accounting Methodology General Directorate (PIAMGD) within MoPF through a
dedicated software. Quarterly reports are transmitted to the PIAMGD within 45 days to 60 days from the end of the quarter under review. In parallel, the Treasury Information System is able to produce budget execution reports on a cash basis, nearly in real time.

135. The time needed to get data on commitments is significant. Commitments made the first month of a quarter are reported only 3.5 to 4 months after the end of that month. This poses the following problems:

- Sometimes, appropriations already committed have been sometimes cut during budget revisions, because these insufficiencies in commitment reporting. This may lead to arrears generation.
- Reporting commitments in a timely manner together with sanctions for over-committing and off-budget commitments will contribute to improved fiscal discipline.
- More effective cash planning would required a shorter reporting period for commitments and reporting the payment schedule associated to the commitments.
- MoEF financial information software systems are focused mainly on the accounting and reporting, but even these processes rely heavily on manual interventions. The data transfer from the MoEF software into the format requested by MoPF’s PIAMGD is done manually, based on the MoEF trial balance, takes some time and it is prone to errors.

137. In addition, for the moment, there is no systematic procedure to compare the expenditure payments disclosed in the budget execution reports of a secondary and tertiary spending authority with the payments transactions registered in the Treasury System.

5.1.5 Financial Accounting and Reporting Systems

138. **MoEF uses several software applications for its financial management functions.** The main system is the Prosoft financial management software developed by a Romanian firm, Prosys, which has several standard modules including accounting, contracts, fixed assets, inventories and others. However, the software is used only at the MoEF headquarters and a couple of other entities, but not within the entire nation-wide environment and forests sector structure. The software does not cover functions such as payroll, which has been outsourced to a private firm starting with 2011. Excel is also extensively used for reporting and data analysis. A number of hardware problems have been reported, including some network and server failures, especially at busy quarterly reporting times. Electricity failures are quite frequent in summer time, due to the limited capacity of the electric circuits and use of air conditioners, have added to the interruptions and delays of the financial management functions.

139. **EFGD expressed its interest to consider expanding the system to a fully integrated financial management information system (IFMIS).** MoEF would clearly benefit from developing and implementing a modern IFMIS with all its functions, i.e., procurement planning, program budgeting, payments, own revenues, accounting, reporting, fixed assets, stocks and inventories, salaries etc. In addition, the data transfer from the MoEF accounting software into the format requested by MoPF’s PIAMGD is done manually, based on the MoEF trial balance and it is thus prone to errors. Moreover, the data on commitments is obtained with significant effort and it is not up to date, being of limited use to MoEF management.
5.1.6 Budget execution financial controls

140. The Law No 500 on Public Finance defines four stages of budget execution (ALOP norms - commitment, verification, payment order and payment) and stresses the principle of separation of duties. There are several written internal control procedures within MoEF, however, some need to be further customized to the MoEF’s specific activities. The EFGD plans to update and finalize writing all the internal control procedures by June 30, 2011. The system of preventive (ex-ante) financial controls performed in MoEF is as follows:

- internal financial controllers who perform ex-ante financial control of all expenditure transactions (commitments, cash opening and payment order–ordonantare); these are regulated by the own financial preventive control norms;
- MoEF is subject to the “delegated” MoPF financial controllers who belong to the staff of the MoPF Central Harmonization Unit (CHU) for Financial Management and Control. They perform financial controls on transactions above a certain amount, which is generally in the range of 25,000 RON. These transactions are submitted to a “double visa” system, consisting of both the visa of the internal own “preventive” financial controller and the visa of the MoPF “delegated” financial controller.

141. The “double visa” system increases the paperwork and risks to make line ministries thinking that they are relieved of their accountability requirements, their transactions being verified ex-ante by a MoPF controller. The MoPF intends to phase out its delegate financial controls within line ministries by December 2012. After this date, only financial controllers reporting to line ministers will make preventive controls. This desirable measure may need further actions to strengthen internal control within line ministries. Line ministries are preparing a program of work for this purpose. The MoPF CHU for Financial Management and Control will have to review and monitor these work programs. As of March 2011, MoEF is still among the ministries that are subject to the visa of the MoPF delegated financial controller.

5.1.7 Internal audit

142. The internal audit unit within the MoEF is established in accordance with the Law on Public Internal Audit (672/2002). This internal audit unit is monitored by the MoPF CHU for internal audit, which reviews the internal audit work plan and methodology, carries out training activities and participates in sectorial audits involving several ministries.

143. The internal audit department in MoEF is facing the generic issues for the whole country, ie reduced visibility of internal audit (organized as a compartment instead of a directorate); excessive ad-hoc internal audit missions, that impair the effectiveness of a risk based internal audit strategy and annual work plan; severely understaffed; reduced training budgets that impede the ability to ensure appropriate continuous professional development; insufficient equipment available (no laptops at all); extensive time required to implement the recommendations following the internal audit findings; relatively limited interest of the MoEF management in the internal audit findings with a view to improve and streamline processes and procedures.
5.2 Procurement

144. The Romanian public procurement (PP) procedures are governed by the rules issued by observing the “new” EU directives. The G. E O. No. 34/2006 regarding the awarding of the public procurement contracts, public works concession contracts and services concession contracts, amended and completed (Public Procurement Law (PPL)) are mandatory to all purchases (goods, services and works) undertaken by contracting authorities acting in the public or classic sector and in utility sector. The process for awarding a public procurement contract like in all EU countries is subject to the principles of non-discrimination, equal treatment, mutual recognition, transparency, proportionality, efficient utilization of public funds and assumption of responsibility (Annex E presents more details).

5.2.1 Constraints/challenges to a smooth and efficient procurement process

145. The weaknesses of the procurement system from a general point of view are generated by the lack of skills or experience in managing the process as a whole. There is a general tendency among decision makers not to encourage collaboration among procurement and technical staff, and to believe that, on the one hand technical staff does not need to have procurement knowledge, and on the other hand, procurement staff does not need to understand technical matters or the nature what is being procured. These misunderstandings generate breaks, interruptions and affect the result of the procurement process throughout the project cycle. In addition to issues related to the clarity of institutional responsibility and weak collaboration, the most common issues that occur in a procurement process are identified in the below (Table 5.2).

146. The poor quality of technical specifications is directly reflected in the work contracts and is a result of: (i) an earlier procurement procedure done with poor requirements and general contract clauses, or (ii) a lack of verification done by an independent specialist. In practice, the contracting authorities are reluctant to contract an independent consultant for design verification (“verifier”), and end up asking the contractor to use/procure his verifier.

147. The miscalculation of the estimated value of the contract is another big issue that affects the entire process and is the result of: (i) a lack of knowledge in planning a project, or (ii) an earlier procurement procedure done with poor requirements and general contract clauses when the consultant was chosen by applying the lowest price criterion.

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26 During the inception phase of the review procurement emerged as a key constraint in the absorption of EU funds, and therefore, it was agreed to undertake a procurement assessment jointly with the Regional Development review; therefore, the two FRs share the procurement assessment, but with some differences in recommendations.
### Table 5.2 - Issues in the Public Procurement process

<table>
<thead>
<tr>
<th>Stage</th>
<th>Activity</th>
<th>Type of issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before competition</td>
<td>Preparation of the technical papers</td>
<td>Poor quality of technical specifications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Miscalculation of the estimated value of the contract</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Disproportionate qualification requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Irrelevant or poor awarding factors</td>
</tr>
<tr>
<td></td>
<td>Preparation of the tender documentation</td>
<td>Poor quality of bidding documents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Changing the main provisions of the bidding documents after the contract notice is published</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Members appointed in the evaluating committee without knowledge about public procurement rules or contract scope</td>
</tr>
<tr>
<td>During competition</td>
<td>Evaluation period</td>
<td>Poor checking of qualification requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Superficial evaluation of technical and financial proposals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak grounds in establishing the unacceptable, irregular or admissible bids</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wrong applying of the awarding criterion</td>
</tr>
<tr>
<td>After competition</td>
<td>Post awarding period</td>
<td>Receiving many complains</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not unitary approach in solving complaints</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Suspension of the contract by challenge the NCSC decision to the Court</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Poor qualities of works/services</td>
</tr>
</tbody>
</table>

148. *The disproportionate qualification requirements are a result of PP Law (PPL) provisions.* On the basis of the proportionality principle, and in order to avoid limiting competition, the PPL imposes limits on establishing qualification requirements in the tender documentation which could affect the result of the procurement procedure by selecting an economic operator with less experience in implementing a public procurement contract.

149. *The irrelevant or poor awarding factors* are the result of a number of factors including (i) poor technical specification, (ii) lack of skills in differentiating between minimal technical requirements and desired ones, (iii) lack of guidelines for establishing awarding factors, or (iv) fear of control bodies.

150. *The poor quality of bidding documents* is the result of an absence of standard bidding procedures and tender documents applicable at national level for procurement of works, goods
and consultant services, which would include a description of the procurement process, standard content of bids, and standard contracts.

151. **The changing of the main provisions of the bidding documents** after the contract notice is published is a practice resulting from one of two things (or both): (i) the answer to clarifications received and the need to avoid possible complaints; and (ii) the poor quality of the bidding documents.

152. **The situation where members of the evaluating committee are not knowledgeable** about public procurement rules or contract scope, is the result of personnel changes which leads to the loss of experienced and trained staff who also are very reluctant to take risks.

153. **The problems that occur during the evaluation period** are the result of the short period provided by the PPL for evaluation, compounded by the many factors encountered during bid preparation (described above). In many cases the use of an electronic auction to award a contract results in a bid price that may not cover all the contract obligations, because winning contractors count on technical specifications not being comprehensive, and the fact that during contract execution they could always apply for increasing the price.

154. **The problems in the post award period result from dissatisfied economic operators** (bidders) who file complaints with the NCSC hoping to either influence/reverse the result of the procurement process; and/or negotiate with the winner to secure a portion of the contract. Other problems in the post award period are related to the quality of works and services, and to conflicts between contractor or consultant and the contracting authority arising from cost implications of completing or improving items missing from the technical specifications.

155. Making procurement more efficient is critical not only for the absorption of EU funds, but also for the state-funded investment programs. The problems are well identified and revolve around a set of issues, which when considered one a time seem straightforward enough to handle, but taken together present a formidable challenge to solve. *The issues revolve around the need for uniformity, information flow, clarity of activities and responsibilities, use of guidelines standard tender documents, and better quality control of designs and technical specifications. What underlines and binds all these things together are behavioral factors and incentives within system that are not to going to be easy to resolve in one go.*

5.2.2 **Recommendations for improving the procurement process**

156. In order to improve and accelerate the procurement process at MoEF (which has to deal with a very large number of projects), a number of short and medium term actions have been identified. These actions take in consideration the specific findings of the review conducted at the MA-SOP Environment and ANAR since the two institutions undertake similar procurement activities, and therefore the recommendations are applicable to both.

1) **Over the short-term (6 months or less):**
a) Establish a framework of action for each development program defining the information flow, activities and responsibilities, as an internal procedure, starting with project approval, through procurement strategy and procedures to contract implementation.

b) Elaborate guidelines on:

I. Preparation and verification of technical specifications;
II. Selection of applicable the procurement procedure;
III. Choice of the appropriate type of contact applicable; and
IV. Definition of the qualification criteria and award criteria applicable for different types of projects.

c) Elaborate standard tender documents for each procurement procedure including standard contracts for works, goods and consultant services (intellectual services for design, technical assistance, etc.).

2) Over the medium-term (6 -18 months):

a) Organize an advisory service team at MoEF level (of help desk type) including staff with solid knowledge on procurement procedures and contracts for each type of task to be procured; the team will provide support to beneficiaries of MoEF financing in implementation of standardized procedures and contracts. Such arrangement already works for ANAR where the head office provides advice to river basin directorates. Although needed for beneficiaries of MoEF financing, it would be difficult to implement for SOP Environment as the EC expressed its reluctance to accept it, and the DG Procurement of MoEF has almost no experience in procurement of works or consultant services. Thus, this service may need to be staffed with personnel attracted from outside.

b) Provide support to beneficiaries on procurement capacity building through workshops and training programs organized and delivered by the advisory service team to beneficiary staff in charge with procurement and contract management (technical & procurement staff). The same comment and concerns as above.

c) Strengthen the quality control of designs and technical specifications at ministry, ANAR, and beneficiary level to avoid further deficiencies in contracts implementation, through short training courses for beneficiaries with low experience or technical capacity.

d) Strengthen the capacity of evaluation committees to conduct quality and timely evaluation of bids/tenders through short training courses held before bids submission date and concluded with certification of knowledge on evaluation of bids.
e) Elaborate check lists of activities to be completed during implementation of any contract to accelerate reimbursement and, implicitly, flow of funds.

5.3 Human Resources (HR)

5.3.1 HR strategy

157. The review of the management of human resources in the sector was undertaken by focusing on three important interdependent aspects: (a) whether MoEF has an HR strategy and how it is linked to the overall priorities of the sector; (b) whether and HR performance management system is in place; and (c) what could be learned from the impact of the tight fiscal situation that led to staff reductions, hire freezes, and salary reduction.

158. Human Resource Management within MoEF is the responsibility of the HR Directorate, which is thinly staffed and rudimentarily equipped in terms of modern personnel and performance management tools and IT systems. The HR Directorates directly manage human resource at MoEF level and coordinates HR units within the subordinated agencies. Similar to the sector as a whole, there is no document at MoEF level or any of the implementing agencies that spells out an HR strategy that supports the priorities in the sector. Of the issues covered by HR function in modern organizations, such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training, etc. the HR Directorate focuses mainly on recruitment and compensation for which there are detailed if not rigid procedures.

159. The HR Department continues to be mainly focused on traditional personnel, administration, and transactional roles, and there is no performance management system in place to support strategic objectives and allows staff contributions to be recognized and acknowledged, and ultimately measured in terms of value added for the sector. At the height of the economic crisis (2009-2010), the sector found itself in the midst of a major crisis driven by government policy which led to salary cuts, freezes on recruitment, and even suspension of hundreds of positions. The HR Department role was to “manage the crisis” and deal with the day-to-day repercussions on staff moral, changes in contracts, temporarily assignments, etc.

160. The combination of the absence of a human resource strategy, other inefficiencies in the system (e.g., procurement) and the external factors brought about by changes in

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27 The Manager's Guide to HR: Hiring, Firing, Performance Evaluations, Documentation, Benefits, and Everything Else You Need to Know (Max Muller, 2009)

28 HR management is constrained by the rigidity of current legislation—which does not allow for the development of an HR strategy. MoEF has submitted a project for the Operational Program for Administrative Capacity Development (PODCA), Priority Axis 1: "Improvements to the structure and process of public policy management cycle" for the preparation of standards and performance indicators for assess institutional capacity in the national environmental protection system.
government policy could be very costly for Romania. Three policy priorities of the government are currently undermined by the lack of adequate staff and incentives to keep them productively focused and minimize turnover. These are (a) absorption of EU funds, (b) implementing the provisions of the EC climate change and energy package, and (c) the completion of the Natura 2000 national network and preparation of site management plans.

5.3.2 Key issues challenges facing the current HR management system

161. In addition to the lack of a real human resource management strategy, the sector currently faces a number of challenges, including:

1. Low number of active personnel compared to staffing positions in the MoEF’s organization chart (out of 747 approved positions, only 535 active staff – Figure 5.1). Some of the General Directorates/Directorates (e.g. IT, Financial and Economic Legal, Communication) operate at less than 50% of staff capacity; the EU Affairs Directorate and the Investment General Directorate operate at 50% capacity; and the MA SOP-Environment, the Climate Change and Sustainable Development Directorate, the Biodiversity Directorate, and the HR Department are all under-staffed;

2. While there are some limited financial incentive and allowances mainly within NEPA, ANAR, and Romsilva, all linked to the collection of various fees and fines, there is no clear unitary system and predictability for distributing these financial incentives;

The staff of the Ministry of Environment and Forests is evaluated annually in accordance with GD 611/2008 for approval the norms regarding the organization and career development of civil servants, as amended and supplemented, in accordance with the objectives set according to the performance indicators. To recognize the merits and motivate the staff within the Ministry of Environment and Forests, there were advances and promotion in December 2010 and June 2011.

3. Although hiring is made on the basis of detailed and reasonably good job descriptions, the low salary levels, particularly in the central administration—where positions are “civil service” jobs managed unitarily across the government, which is not the case for subordinated agencies—lead hiring managers to fill positions where salaries are relatively higher even if the candidate profile do not completely match the requirements;

4. Significant workload and complex job requirements, low motivated staff, especially of the technical directorates, all directly contributing to personnel turnover

5. The lack of a staff performance management system is reflected in the lack of HR instruments to deal with the currently inactive and non performing inefficient staff), as
well as a limited ability to provide incentives (financial and non financial) to performing staff;\textsuperscript{29}

6. Insufficient number of specialized staff in some directorates (e.g. Public Policy Unit, IT Section, Communication Directorate, and General Legal Division);

7. Low morale and lack of motivation prevalent in staff from MoEF because lower level of salaries in comparison with similar positions in other ministries (e.g., Regional Development) or in EU funded programs and projects whose staff were entitled to a 75% top up (incentive which was reduced was reduced last year to 62.5 %);

\textsuperscript{29} In 2010 a total of 45 people attended the ECDL courses organized by the National Agency of Civil Servants and 37 participated in the French language courses. In 2011, there have been requests for participation in courses organized by NACS for a total of 100 persons from the Ministry of Environment and Forests, each participant having the opportunity to attend in two programs.
5.3.3 Improving the HR management system

The staff in the sector are overall highly educated with 70 percent holding university degrees (60 percent of which are in a technical field – Table 5). Through the lens of a staff
survey\textsuperscript{30} undertaken as part of the review, a number of observations and recommendations emerged consistent with the other findings from the review:

Table 5.3: Educational background of sector staff (for MoEF and main agencies)

<table>
<thead>
<tr>
<th>Authority</th>
<th>University degree technical</th>
<th>University degree other</th>
<th>Medium school technical</th>
<th>Medium school other</th>
<th>Management</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEPA</td>
<td>61%</td>
<td>16%</td>
<td>8%</td>
<td>5%</td>
<td>9%</td>
<td>1%</td>
</tr>
<tr>
<td>ANAR</td>
<td>24%</td>
<td>8%</td>
<td>7%</td>
<td>3%</td>
<td>6%</td>
<td>51%</td>
</tr>
<tr>
<td>NEG</td>
<td>46%</td>
<td>33%</td>
<td>1%</td>
<td>0%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>MoEF</td>
<td>51%</td>
<td>34%</td>
<td>2%</td>
<td>2%</td>
<td>10%</td>
<td>1%</td>
</tr>
<tr>
<td>EFA</td>
<td>19%</td>
<td>60%</td>
<td>5%</td>
<td>%</td>
<td>11%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: MoEF HR Department

(1) **Build on strong staff interest in working in the environment sector despite lower salary levels** (Figure 5.2). Staff productivity could be improved through (i) clearly defined goals, tasks and responsibilities, (ii) an improved work environment stressing team work and cross-unit collaboration, information and knowledge sharing, and the introduction of a system of career development. These issues are more acute for operational staff at MoEF and Romsilva.

Figure 5.2 Job Motivation of Environment Sector staff (2011 survey)

(2) In addition, at least in the short-term, **compensate the low salaries and low staff morale, with adequate resources (budget, IT equipment and access to data and information) and a work environment conducive to team work and appreciation of individual contributions.** Some staff interviewed indicated that they feel their skills were being eroded because of they were not being used by the institution.

\textsuperscript{30} The survey was sent to 1000 staff across from MoEF and the main agencies. The response rate was 20% with some 50% from technical staff, 14% administrative staff, 20% managers (including pubic managers).
While there is very strong agreement among both managers and staff that training is essential for job performance and motivation, opportunities are few and far between (almost 80 percent of survey respondents indicated that they had no opportunity for training during the past two years). **It is essential that resources be allocated to staff training, starting with operational staff.** Of six potential training areas (technical, management, strategic planning and M&E, communications, foreign languages and EU legislation) the last three are the most desired by staff. Existing opportunities through EU or other project funds could be taken advantage in the short-term while a process of developing staff training plans based on needs assessments and linked to performance is initiated as part of an HR strategy.

5.4 **Information Technology**

163. The general finding is that the sector is significantly lacking in Information Technology in all its dimensions: hardware, software, skilled staff, and budgetary resources. At the MoEF level, there is no integrated information management system and no information sharing capacity. Although most staff have access to a desktop computer, they only have access to the web. More alarming is the fact that the Ministry has one staff with no specialized training who manages the server and no one to back him up.

164. The implementing agencies have their own systems which are not linked to MoEF. For example there no single HR database for the sector, and there is no integrated database with information environmental permits and enforcement actions. If the Government or anyone wants to know for example how many permits were issued nationally during a given time period under the Integrated Pollution Prevention and Control procedure, and what types of industries got them, the information would have to be collected from all the local EPAs. There is currently a project to design an integrated system for NEPA and its local branches, but it is not adequately funded.
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(Including Government Documents)


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2. Detailed Organization
3. Agenda from the coordination reunion
4. Minutes from the coordination reunion
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1. Organization
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   2. Background note
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*SOP Environment*
1. Identified problems of reunion ACP
2. Principles and responsibilities of reunion ACP
3. Centralizing approved problems Axis 1, 3, 5
4. SOP Environment Table
5. Funds presentation MA SOP Environment – ANRMAP
6. DFC Presentation
7. Specific problems in projects implementation
8. Implementation progress
9. Projects in the pipeline, on Axis 5
10. Major projects in the pipeline on Axis 1
11. Major projects in the pipeline on Axis 2
12. Major projects in the pipeline on Axis 3
13. Progress report on Axis 2
14. Progress report on Axis 1,3,5
15. Contracts progress report on Axis 2
16. Parts responsibilities FIDIC MA SOP

External Relations
1. ROF document

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2. Eco-Conditionality in Romania – Ministry of Agriculture
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ACIS:
1. Emergency Decision 26
2. Emergency Decision 457/2008

Others
AmCham Romania: Recommendations for WB’s Environment Functional Review
## Annex A

**Romania Functional Review of MoEF - Proposed Action Plan**

### A1: Environment and Water

<table>
<thead>
<tr>
<th>Objective</th>
<th>Sequenced Actions</th>
<th>Impact / Priority</th>
<th>Implementation Period</th>
<th>Responsibility</th>
<th>Progress / Output</th>
<th>Target / Outcome</th>
<th>Estimated Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(critical, high, enabling)</td>
<td>(&lt;3 months; &lt;6 months, &lt;12 months; &lt;18 months, &gt;18 months)</td>
<td>Method</td>
<td>Indicator</td>
<td></td>
<td>€31</td>
</tr>
</tbody>
</table>

### 1. Strategy Formulation and Management

**1.1 Vision, Strategy and Policy Formulation (VSPF)**

| Establish integrated sector policy and strategy coordination, formulation and development committee | Enabling | <3 months | Minister through State Secretaries and General Secretary | Co-ordination committee in place and working | Clear framework for VSPF | 0 |

| Finalize MoEF strategy and action plan with (a) vision, (b) quantifiable targets (c) supporting cost benefit analysis and (e) funding requirements | Critical | <12 months | Strategic Advisory Group MoEF | Working group (WG) established and operational Stakeholder consulted MoEF strategy and action plan finalized | Sector strategy and action plan with vision, policy targets, costs and timetable under implementation | € |

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31 **0 = none; €= low (less than € 100k); €€ = moderate (between € 100k and 500K); €€€ = high (above € 500k)**
<table>
<thead>
<tr>
<th>Objective</th>
<th>Sequenced Actions</th>
<th>Impact / Priority</th>
<th>Implementation Period</th>
<th>Responsibility</th>
<th>Progress / Output</th>
<th>Target / Outcome</th>
<th>Estimated Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Establish new policy formulation and management process with clear &amp; transparent process of priority setting, budgeting, and accountability for results</strong>&lt;br&gt;### 1.2 Strategic Planning and M&amp;E</td>
<td>Clarify and Strengthen the role of the PPU</td>
<td>High</td>
<td>Continuous</td>
<td>MoEF</td>
<td>Implement provisions of ministerial order No. 509 on strategic planning</td>
<td>PPU resourced and tasked with strategic planning, policy coordination and M&amp;E to support new process at MoEF</td>
<td>€£€</td>
</tr>
<tr>
<td></td>
<td>Establish monitoring and reporting procedures for implementation of strategy and action plan</td>
<td>High</td>
<td>&lt; 15 months</td>
<td>MoEF</td>
<td>Monitoring and reporting framework in place and working</td>
<td>Ongoing policy development and reporting against progress</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td>Implement monitoring procedures for strategy and action plan</td>
<td>High</td>
<td>Continuous</td>
<td>MoEF</td>
<td>Annual reports</td>
<td>Informed environmental sector and ongoing policy development</td>
<td></td>
</tr>
<tr>
<td><strong>1.3 Communication strategy</strong></td>
<td>Elaborate MoEF’s communication strategy and action plan</td>
<td>High</td>
<td>&lt;12 months</td>
<td>Minister, through General Secretary</td>
<td>MoEF communication and action plan finalized</td>
<td>Clear MoEF communication vision, strategy and action plan including achievable targets, costs and indicators developed and operational</td>
<td>€</td>
</tr>
<tr>
<td>Objective</td>
<td>Sequenced Actions</td>
<td>Impact / Priority</td>
<td>Implementation Period</td>
<td>Responsibility</td>
<td>Progress / Output</td>
<td>Target / Outcome</td>
<td>Estimated Resources</td>
</tr>
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</tr>
</tbody>
</table>
| 2. Structures, Organization, Systems and Procedures | Design and implement a comprehensive IT system within MoEF with links to subordinated agencies systems through:  
- Audit, current information systems, practices and operations;  
- Develop an information system strategy and investment plan for data, applications, technology and organization, aligned with the Ministry’s strategic plan  
- Roll out implementation | Critical | <18 months | Minister through State Secretary/General Secretary Heads of Affiliated Institutions | IT system audit completed  
- Investment plan developed, approved & under implementation | Modern and efficiency-enabling integrated IT system supports MoEF functional responsibilities | €€€ |
| 2.2 Integrated Information Technology system (including hardware, software, staff and budget) | Enhance the operation of Inter-ministerial Committees | Enabling | < 6 months | PPU and relevant technical |  
- WG with MARD on EU CAP cross-compliance established  
- Climate change policy coordination strengthened | Action plan for helping Romanian farmers cross-comply agreed and under implementation  
TOR for climate change strategy approved and analytical work contracted | €€ |
<p>| 2.3 Strengthen inter-ministerial cooperation |  |  |  |  |  |  |  |</p>
<table>
<thead>
<tr>
<th>Objective</th>
<th>Sequenced Actions</th>
<th>Impact / Priority</th>
<th>Implementation Period</th>
<th>Responsibility</th>
<th>Progress / Output</th>
<th>Target / Outcome</th>
<th>Estimated Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>3.1 Regulatory function</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
| 3.1.1 Revise permitting regulatory framework to simplify procedure | - Review Construction Law (no 50/1991), Art. 2 (b, c, d), to reduce heavy burden on environmental authorities (NEPA, REPA and EPA) related to the permitting process  
- Assess feasibility of issuing a single integrated permit for IPPC (eliminate the separate procedure to issue an ENV approval first) | High | <12 month will the review of the construction law only take 12 months? Maybe better to break down this action by stages? | MoEF and NEPA | Legal opinion drafted by MoEF Legal Department and subjected to consultation with implementing agencies and local authorities  
Guideline for identifying low risk activities prepared (consistent with EA legislation) | Initial evaluation for low/no risk activities delegated to local authorities as part of development authorization process | IPPC permit streamlined | €|
<p>| 3.1.2 Fill legislative gap | Re-introduce in GEO 195/2005, the obligation to apply for environmental permit in case of dismantling projects with potential environmental liabilities in cases of business structures (bankruptcy, etc) | High | &lt;6 months | NEPA | GEO 195/2005 revised | Legal loophole closed and revised implementation guideline reissued | € |</p>
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<th>Target / Outcome</th>
<th>Estimated Resources</th>
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<tr>
<td>3.1.3 Improve the quality of EAs</td>
<td>Use detailed operational guidelines for EA preparation. Finalize and regulate detailed guidelines on content and methodology for proponents and consultants, as well as NEPAs/REPAs/LEPAs (liaise with JAPSPERS guides elaborated in 2010)</td>
<td>Enabling</td>
<td>&lt;6 months</td>
<td>MoEF</td>
<td>• Detailed guidelines on content of EA and review process prepared and implemented</td>
<td>Quality of EAs improved</td>
<td>€€€ (Actual cost may be lower based on work already done by Jasper)</td>
</tr>
<tr>
<td>3.1.4 Streamline permitting process in Natura 2000 sites</td>
<td>See the recommendation 3.3.3 below related to Natura 2000 management plans</td>
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</tbody>
</table>
| 3.1.5 Consolidation of regulatory permitting and enforcement functions   | Undertake assessment of the feasibility of consolidating permit and enforcement functions | High              | <6 months             | MoEF / NEPA /NEG | Options paper prepared and discussed with stakeholders  
MoEF decides on consolidation option and implements it | Permit quality and enforcement improved, resulting in efficient redeployment of resources | €€       |

3.2 Climate change
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</thead>
<tbody>
<tr>
<td><strong>3.2.1 Strengthen capacity of Climate Change and Sustainable development Directorate CC&amp;SDD</strong></td>
<td>Undertake assessment of the functional responsibility, workload and effectiveness of CC&amp;SDD (with the new role of the PPU in mind)</td>
<td>Critical</td>
<td>&lt;6 months</td>
<td>MoEF</td>
<td>Business process and capacity building plan for the CC&amp;SDD prepared</td>
<td>Plan for strengthening CC&amp;SDD approved</td>
<td>€</td>
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<td></td>
<td>Implement business process and capacity building plan for CC&amp;SDD</td>
<td>Critical</td>
<td>&lt;18 months</td>
<td>MoEF</td>
<td></td>
<td>CC&amp;SDD able to advise MoEF &amp; GoR on climate policy (including carbon management), and monitor implementation of commitments to EU and UNFCC</td>
<td>€€</td>
</tr>
<tr>
<td><strong>3.2.2 Prepare Climate Change Strategy</strong></td>
<td>Complete national climate change strategy and action plan</td>
<td>High</td>
<td>&lt;12 months</td>
<td>MoEF, with inter-ministerial committee (esp. energy, transport, agriculture, water resources)</td>
<td>Integrated Climate Change Strategy and Action Plan prepared (involves extensive stakeholder consultations)</td>
<td>Climate change strategy and action plan approved and under implementation</td>
<td>€€</td>
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<tr>
<td>3.2.3 Strengthen capacity of CC&amp;SDD and NEPA in carbon management</td>
<td>Improve carbon management through: (i) inventory of GHG and reporting to UNFCC; (ii) allowances allocation; (iii) strengthening National Emissions Registry administration; (iv) ETS participation; (v) GIS and JI, etc.</td>
<td>Critical</td>
<td>&lt;12 months</td>
<td>MoEF /NEPA</td>
<td>GHG inventory updated Emissions Registry up-to-date and secured GIS project pipeline prepared</td>
<td>Romania meets EU ETS standards and participates in carbon trading</td>
<td>€€</td>
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<tr>
<td>3.3 Natura 2000</td>
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<tr>
<td>3.3.1 Strengthen capacity of Biodiversity Directorate (BD)</td>
<td>Undertake assessment of the functional responsibility, workload and effectiveness of BD</td>
<td>Critical</td>
<td>&lt;6 months</td>
<td>MoEF</td>
<td>Business process and capacity building plan for BD prepared</td>
<td>Plan for strengthening BD approved</td>
<td>€</td>
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<tr>
<td></td>
<td>Implement business process and capacity building plan for DB</td>
<td>Critical</td>
<td>&lt;12 months</td>
<td>MoEF</td>
<td>BD capacity strengthened</td>
<td>BD able to manage the Natura 2000 process and Romania’s international commitment</td>
<td>€€</td>
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<tr>
<td>Prepare and implement action plan for completing the designation of Natura 2000 sites and the preparation and approval of management plans for currently designated sites (382 sites) --funded under SOP-ENV axis 4</td>
<td>Critical</td>
<td>&lt;12 months</td>
<td>MoEF</td>
<td>Natura 2000 management plans prepared and site administrators designated</td>
<td>Romania’s network of Natura 2000 meets EU requirements</td>
<td>€€€</td>
<td></td>
</tr>
<tr>
<td>3.3.2 Complete institutional framework for the management of Protected Areas and Natura 2000 sites</td>
<td>High</td>
<td>&gt;18 months</td>
<td>MoEF</td>
<td>Agency for the Management of Protected Areas and Natura 2000 Sites set up and operational</td>
<td>More efficient management of protected areas and Natura 2000 sites</td>
<td>€</td>
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</tr>
<tr>
<td>3.3.3 Revise institutional framework</td>
<td>Enabling</td>
<td>MoEF, NEPA</td>
<td>EA process involving Natura 2000 sites streamlined and more efficient</td>
<td>0</td>
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<tr>
<td>Revise Highly Protected status of Natura 2000 forest areas and Integrate Natura 2000 and forest management planning</td>
<td>High</td>
<td>MoEF / Romsilva</td>
<td>Biodiversity strategy, revised NFPS made coherent</td>
<td>More efficient management of Natura 2000 sites in forest area</td>
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### 3.4 Water Management

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<tbody>
<tr>
<td>Inter-ministerial coordination</td>
<td>Enhance the level of representation of the water sector in inter-ministerial relations / committees</td>
<td>Enabling</td>
<td>&lt;12 months</td>
<td>GoR, MoEF</td>
<td>Management of the Water Authority is set at state secretary level</td>
<td>MoEF is represented at same decision making level in inter-ministerial committees, where it holds the leadership, as the other institutions member</td>
<td>€</td>
</tr>
<tr>
<td>Revise institutional framework</td>
<td>Consolidate flood risk management under one institutional roof (ANAR)</td>
<td>High</td>
<td>&lt; 6 months</td>
<td>GoR, MoEF</td>
<td>Flood risk management taken over from MARD-ANIF</td>
<td>Increased efficiency and efficacy in managing the flood risk</td>
<td>€€</td>
</tr>
<tr>
<td>Water resources and flood protection funding</td>
<td>Prioritize ongoing water investments which are under-funded (over 400 projects)</td>
<td>High</td>
<td>&lt; 6 months</td>
<td>MoEF, ANAR</td>
<td>Scarce funds are allocated to finalization of critical projects</td>
<td>Foster meeting the EU acquis on water, provision of protection against floods, and safety of dams</td>
<td>€</td>
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<td></td>
<td>Negotiate higher priority for water projects across government investment programs</td>
<td>High</td>
<td>&lt; 6 months</td>
<td>MoEF, GoR</td>
<td>More funds allocated annually to water projects, new and underway</td>
<td>Time for finalization of projects reduced to maximum 6 years</td>
<td>€€</td>
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<tr>
<td><strong>3.5 EU Funds Absorption</strong> - The proposed actions support the EC-approved “Reinforced Action plan for promoting absorption of the Cohesion instruments in Romania.”</td>
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<tr>
<td><strong>3.5.1 Programming</strong></td>
<td>Accelerate the preparation of the OP for the next financing period. A Minister’s Order (MO) should be issued to establish a joint committee to decide on the list of priority investments</td>
<td>Enabling</td>
<td>&lt;6 months</td>
<td>MoEF</td>
<td>MO issued Joint Committee set up and operational</td>
<td>Readiness for implementation for SOP–ENV programming</td>
<td>0</td>
</tr>
<tr>
<td><strong>3.5.2 Human resources</strong></td>
<td>Address the chronic staffing shortage, and quality issues, within the Managing Authority, and create a system of incentives that allows the recruitment and retention of qualified staff</td>
<td>High</td>
<td>12 month</td>
<td>MoEF, ACIS</td>
<td>A Staffing Plan is prepared, including ways to fill vacant positions. A productivity and efficiency enhancement plan is designed</td>
<td>Quality and speed of delivery increases</td>
<td>€€</td>
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<td></td>
<td>Standardize the pay scale of staff in the different managing authorities and address the current low salary level of OPEMA staff</td>
<td>Enabling</td>
<td>&lt; 6 months</td>
<td>ACIS</td>
<td>Monitor staff recruitment</td>
<td>Increase speed and quality of implementation</td>
<td>0</td>
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<td></td>
<td>Undertake an analysis of staff needs, quality and incentive issues at the level of the Implementing Bodies and Implementing agencies</td>
<td>Enabling</td>
<td>&gt; 12 months</td>
<td>ACIS, MoEF, Beneficiaries of the OPs</td>
<td>A Staffing Plan is prepared and submitted to relevant oversight authorities</td>
<td>Accelerate actions for EU absorption</td>
<td>€€€</td>
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<tr>
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<tr>
<td><strong>Increase the use of Technical Assistance funds under the OP to address immediate staffing needs and launch preparation of studies/tasks for the next OP</strong></td>
<td>Critical</td>
<td>18 months</td>
<td>MoEF</td>
<td>Monitoring of TA Funds</td>
<td>Increased readiness for next Programming period</td>
<td>€</td>
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<tr>
<td><strong>3.5.3 Public procurement</strong></td>
<td>(See procurement section below)</td>
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<tr>
<td><strong>3.5.4 Auditing and Financial Corrections</strong></td>
<td>Clarify procedures for handling financial corrections of EU Funds and Issue a related Government Ordinance to consistently enforce the legal provisions</td>
<td>High</td>
<td>&lt; 6 months</td>
<td>MoEF and National Audit Authority (for inspection of procurement)</td>
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<td>Develop a system for better coordination of Auditing reviews among EU and local auditors</td>
<td>Enabling</td>
<td>&lt; 18 months</td>
<td>MoEF and concerned Audit authorities</td>
<td>A new system is agreed upon and put in place</td>
<td>Reduce number of auditing and overlaps, to release staff to more productive and quality tasks</td>
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<td>Strengthen capacity for auditing and handling of financial data and information at the level of the Intermediaries Bodies and final beneficiaries</td>
<td>High</td>
<td>&lt; 12 months</td>
<td>MoEF, Auditors, and Beneficiaries</td>
<td>A TA program is formulated, contracted, and implemented</td>
<td>Improve quality of Auditing and reduce the need for financial corrections</td>
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<tr>
<td><strong>3.5.5 Contracting</strong></td>
<td>Increase the input from the Beneficiary during the period of drafting the financing contract</td>
<td>Enabling</td>
<td>&lt; 6 months</td>
<td>MoEF, IBs, and Beneficiaries</td>
<td>Increased input from the Beneficiary will help avoid misunderstanding of certain contractual clauses</td>
<td>Better understanding by the Beneficiary of the contract provisions</td>
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<td>Establish an Implementation Help Desk within the MA to support the Beneficiaries and the IBs (to accelerate tendering procedures after contract financing, provide templates, and clarify procedures, etc.)</td>
<td>Critical</td>
<td>&lt; 12 months</td>
<td>MoEF</td>
<td>Knowledge will be transferred</td>
<td>Knowledge accumulated within the MA, will be transferred at IBs and beneficiaries level.</td>
<td>€</td>
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<tr>
<td><strong>1.6 Procurement activities</strong> - The proposed actions support the EC- approved “Reinforced Action plan for promoting absorption of the Cohesion instruments in Romania.”</td>
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<tr>
<td><strong>3.6.1 Public procurement – enhance the process from project preparation to contract management</strong></td>
<td>Set-up a framework of action for each development program (information flow, actions and responsibilities, internal procedures)</td>
<td>Enabling</td>
<td>&lt; 6 months</td>
<td>MoEF, ANAR, ACIS</td>
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<td>Elaborate guidelines on:</td>
<td>Enabling</td>
<td>&lt; 6 months</td>
<td>MoEF, ANAR</td>
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<tr>
<td></td>
<td>• Preparation and verification of technical specifications,</td>
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<td>• Choosing the procurement procedure applicable,</td>
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<td>• Choosing the appropriate type of contact applicable,</td>
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<td>• Define the qualification criteria and award criteria applicable for types of projects.</td>
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<td>Elaborate standard tender documents for each procurement procedure including standard contracts for works, goods and consultant services (intellectual services for design, technical assistance, etc.).</td>
<td>Critical</td>
<td>&lt; 12 months</td>
<td>MoEF, (with ANRMAP, UCVAP, ACIS support)</td>
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<td>Organize an advisory service team at MoEF level (of help desk type) including staff with solid knowledge on procurement procedures and contracts for each type of task to be procured; the team will provide support to Implementing Bodies and beneficiaries of OP-ENV in implementation of standardized procedures and contracts.</td>
<td>High</td>
<td>&lt; 12 months</td>
<td>MoEF, (with ANRMAP support)</td>
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<td>Workshops and training programs for procurement capacity building of beneficiaries by the advisory service team to staff in charge with procurement / contract management (technical &amp; procurement staff).</td>
<td>Enabling</td>
<td>&lt; 12 months</td>
<td>MoEF (with ANRMAP support)</td>
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<td>Strengthen the quality control of designs and technical specifications at ministry, ANAR, IBs, and beneficiary level to avoid further deficiencies in contracts implementation (short training courses for staff with low experience or technical capacity.)</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>MoEF, ANAR</td>
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<td>Strengthen the capacity of evaluation committees to conduct quality and timely evaluation of bids/tenders through short training courses held before bids submission date and concluded with certification of knowledge on evaluation of bids.</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>MoEF (with ANRMAP support)</td>
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<td>Elaborate check lists of activities to be completed during implementation of any contract to accelerate reimbursement and, flow of funds.</td>
<td>Enabling</td>
<td>&lt; 18 months</td>
<td>MoEF, ANAR, IBs, Beneficiaries</td>
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4. **Human Resources Management**

4.1 **HRD Vision & Strategy**

- Develop a HR strategy taking account of its overall strategy, obligations and ways of coping with the requirements related to EU membership, and MoEF ‘s structure and procedures

  - High
  - < 6 months
  - State Secretary/General Secretary
  - HRD vision & strategy defined
  - Clear vision on HR management

4.2 **Boost employees performance and effectiveness of the sector**

- Setting up of a performance management system

  - High
  - < 18 months
  - State Secretary / HRD
  - Detailed below
  - Detailed below

4.2.1 **Clear understanding of job expectations**

- Update Job Descriptions

  - High
  - < 6 months
  - State Secretary / General Secretary /HRD
  - Updated job descriptions
  - Understanding of up-dated job requirements

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32 HRD = Human Resources Directorate
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<tbody>
<tr>
<td>4.2.2 Measure expectations outlined in job description – Enhance staff performance evaluation</td>
<td>Review the current evaluation process. Develop a job performance evaluation and monitoring system</td>
<td>High</td>
<td>&lt; 6 months</td>
<td>State Secretary / General Secretary /HRD</td>
<td>Performance evaluation system designed, indicators discussed with the staff and document finalized</td>
<td>Set into operation a new system of performance evaluation, based on performance criteria</td>
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<td>4.2.3 Provide regular feedback about performance</td>
<td>Monitor on a regular basis the performance indicators</td>
<td>High</td>
<td>&lt; 12 months</td>
<td>State Secretary / General Secretary /HRD</td>
<td>Regular reports on staff performance</td>
<td>Staff performance monitored; feedback mechanism in place, enabling career development measures, corrective measures and fair distribution of rewards</td>
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</tr>
<tr>
<td>4.2.4 Introduce steps for improving performance – Training program for MoEF staff</td>
<td>Determine staff training needs</td>
<td>High</td>
<td>&lt; 12 months</td>
<td>HRD</td>
<td>Training needs analysis report, including identified priorities</td>
<td>Clear prioritized training needs to support future development of MoEF</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Develop MoEF continuous training program</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>HRD</td>
<td>Training modules; Training materials; Staff trained</td>
<td>On-going continuous skills improvement supporting future growth and development of the organization</td>
<td></td>
</tr>
<tr>
<td>4.2.5 Institute Rewards and penalties for performance</td>
<td>Define basic policies to cope with public servants’ weaknesses and poor performance</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>All ministries</td>
<td>Elaboration of criteria and mechanisms to tie reward to performance</td>
<td>Enhanced staff motivation, assuming responsibilities and performing at high standards</td>
<td></td>
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<tr>
<td>Objective</td>
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<tr>
<td>Even salary grids, for similar positions, at the level of entire central public administration</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>All ministries</td>
<td>Salary grids revised</td>
<td>Enhanced staff motivation assuming responsibilities and performing at high standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop a reward system dependent on tasks, functions and performance - Define and apply a clear system at the level of MoEF, to distribute the financial incentives</td>
<td>High</td>
<td>&lt; 6 months</td>
<td>Minister, State Secretaries, General Secretary</td>
<td>Reward system defined</td>
<td>Enhanced staff motivation assuming responsibilities and performing at high standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undertake a strategic staffing analysis for the staff employed by the Managing Authority and Intermediate Body (including analysis of outsourcing options)</td>
<td>High</td>
<td>6 months</td>
<td>MoEF/ACIS</td>
<td></td>
<td>Adress shortage and high turnover of staff with specific skills required for the handling of EU Funds Identify synergies and overlapping at the level of the MA and the IBs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4.3 Specialized training to support development of MoEF’s staff in strategy and policy making (correlate with the related measure included in NRP)</strong></td>
<td>Train key staff in policy formulation and strategy development, including basic investment appraisal techniques</td>
<td>Critical</td>
<td>&lt; 3 months</td>
<td>MoEF</td>
<td>Training program designed and delivered; Staff trained</td>
<td>Capacity to manage overall ENV strategy</td>
<td>€</td>
</tr>
<tr>
<td>Objective</td>
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</tr>
<tr>
<td><strong>4.4 Specialized training for MoEF’s affiliated institutions</strong> (ANAR, NEPA, REPA, EPA, NEG staff)</td>
<td>Improve skill mix and staff performance management to match the requirements and innovation</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>MoEF, ANAR</td>
<td>Training program designed and delivered; Staff trained</td>
<td>Improve skill mix and staff performance management</td>
<td>€</td>
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</table>
## A2: Forestry

<table>
<thead>
<tr>
<th>Objective</th>
<th>Sequenced Actions</th>
<th>Impact / Priority</th>
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</thead>
<tbody>
<tr>
<td>1. <strong>Strategy Formulation and Management</strong></td>
<td></td>
<td></td>
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<td></td>
<td>€³³</td>
</tr>
<tr>
<td>1.1 Vision, Strategy and Policy Formulation</td>
<td>Establish forest policy and strategy co-ordination, formulation and development</td>
<td>Enabling</td>
<td>&lt;3 months</td>
<td>Minister through State Sec</td>
<td>Co-ordination</td>
<td>Clear working framework for NFPS</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>committee</td>
<td></td>
<td></td>
<td>committee in place and working</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Prepare and publish a new NFPS with (a) vision, (b) quantifiable targets (c)</td>
<td>Critical</td>
<td>&lt;12 months</td>
<td>MoEF / GDF</td>
<td>NFPS document</td>
<td>Sector vision, policy targets and funding costs</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td>supporting cost benefit analysis and (e) funding requirements</td>
<td></td>
<td></td>
<td></td>
<td>discussed with stakeholders</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Establish monitoring and reporting procedures for NFPS</td>
<td>High</td>
<td>&lt;15 months</td>
<td>MoEF/ GDF</td>
<td>Monitoring and</td>
<td>Ongoing policy development and reporting against progress</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td>implementation</td>
<td></td>
<td></td>
<td></td>
<td>reporting framework in</td>
<td></td>
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<td></td>
<td>Implement monitoring procedures for NFP</td>
<td>High</td>
<td>Continuous</td>
<td>MoEF/GDF</td>
<td>Annual reports</td>
<td>Informed forestry sector and ongoing policy development</td>
<td></td>
</tr>
<tr>
<td>1.2 Revision of NRDP for 2014-2020</td>
<td>Establish working group responsible for programming</td>
<td>Critical</td>
<td>&lt; 3 months</td>
<td>MoEF/GDF</td>
<td>WG established</td>
<td>Early and coordinated inputs to NDRP preparation to ease</td>
<td>0</td>
</tr>
</tbody>
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³³ 0 = none; € = low (less than € 100k); €€ = moderate (between € 100k and 500K); €€€ = high (above € 500k)
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<tr>
<th>Objective</th>
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<tbody>
<tr>
<td>programming period</td>
<td>process for NRDP 2014-2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>transition to next programming period</td>
<td></td>
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<tr>
<td></td>
<td>Undertake analytical work towards NRDP update in collaboration with CBA for NFPS</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>MoEF/GDF</td>
<td>Identified priorities and forestry measures for draft NDRP</td>
<td>Forestry measures in NDRP aligned with NFPS and supported by appropriate analysis.</td>
<td>€</td>
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<tr>
<td></td>
<td>Note: The provision of extension services and support for private forest owners is included under this action</td>
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<tbody>
<tr>
<td>2. Structure, Organization and Operational Management</td>
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<tr>
<td>2.1 Provide management stability within Romsilva to support future development</td>
<td>Place a moratorium on political appointments at all levels within Romsilva</td>
<td>Critical</td>
<td>&lt;3 months</td>
<td>Minister</td>
<td>Moratorium approved and in place</td>
<td>Stability of management enabling leadership and long term development</td>
<td>0</td>
</tr>
<tr>
<td>2.2 Romsilva vision and strategic plan</td>
<td>Romsilva to develop a vision and strategy for the long term development of the organization</td>
<td>High</td>
<td>&lt;6 months</td>
<td>MoEF / NFA</td>
<td>Vision and strategy published</td>
<td>Clear direction for future development and prioritized enabling actions</td>
<td>-</td>
</tr>
<tr>
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<tr>
<td>2.3 Cost efficiency and operational effectiveness</td>
<td>Establish a Business Process Review (BPR) co-ordination and management committee</td>
<td>Critical</td>
<td>&lt;3 months</td>
<td>DG</td>
<td>Functioning committee reporting monthly</td>
<td>New business model with identified cost saving, improved use of resources and streamlined work practices.</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Implement first phase of business process review</td>
<td>High</td>
<td>&lt;12 months</td>
<td>DG</td>
<td>BPR project reports; completed and approved SOPs for priority processes under implementation</td>
<td>Redesigned priority business practices facilitating cost savings and organizational development</td>
<td>€€</td>
</tr>
<tr>
<td></td>
<td>Implement second phase of business process review</td>
<td>High</td>
<td>&lt;18 months</td>
<td>DG</td>
<td>BPR project reports completed and approved SOPs for second phase projects being implemented</td>
<td>Redesigned core business practices facilitating cost savings and organizational development</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td>Establish working group to determine the economic and technical parameters for a viable Branch structure and timescale for implementation</td>
<td>Enabling</td>
<td>&lt; 6 months</td>
<td>DG</td>
<td>Working group established and functioning</td>
<td>Sound business basis to reorganize Branches based on forest resource and business premise</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Agree roll out and timing for the introduction of new Profit Centre structure</td>
<td>High</td>
<td>&lt; 12 months</td>
<td>DG</td>
<td>Action plan to implement reorganization</td>
<td>Sound and agreed basis for implementation</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Phase in new Branch structure</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>DG</td>
<td>Number of Branches</td>
<td>Viable Branch structure to support ongoing development of the Romsilva</td>
<td>-</td>
</tr>
<tr>
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<tr>
<td>2.4 Information systems to support development</td>
<td>Develop an information system strategy addressing data, applications, technology and organization</td>
<td>High</td>
<td>&lt;12 months</td>
<td>DG</td>
<td>Strategy approved by AC</td>
<td>An information system strategy capable of supporting the future development of the organization</td>
<td>€</td>
</tr>
<tr>
<td>2.5 Increase the area of certified forests</td>
<td>Establish working group to identify barriers to certification and their timely resolution</td>
<td>High</td>
<td>&lt;18 months</td>
<td>DG</td>
<td>Identified barriers and measures to redress same. Increased are certified.</td>
<td>All of state forests certified under FSC</td>
<td>€€</td>
</tr>
<tr>
<td>2.6 Identify costs for provision of public goods functions and delivery of same</td>
<td>Establish in-company group to identify all costs and revenues associated with the provision of public goods functions of forests</td>
<td>High</td>
<td>&lt;12 months</td>
<td>DG</td>
<td>Clearly identified costs associated with each of the main public goods functions</td>
<td>Net cost to the organization for provision of public goods. Informed argument for compensation for provision of these goods</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td>Based on identified costs and outcomes from BPR consider grouping some public goods functions under a separate unit within the organization</td>
<td>Enabling</td>
<td>&lt; 18 months</td>
<td>DG</td>
<td>Proportion of public goods functions transferred to new unit</td>
<td>Clear separation of commercial arm of the company. Improved efficiency</td>
<td>-</td>
</tr>
<tr>
<td>2.7 Simplify regulatory framework for more efficient management &amp; work practices</td>
<td>Prepare scoping document and ToR to undertake overall review of regulatory framework and technical norms</td>
<td>Critical</td>
<td>&lt; 3 months</td>
<td>MoEF, GDF</td>
<td>ToR prepared</td>
<td>Clear</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Implement project to review</td>
<td>Critical</td>
<td>&lt; 12 months</td>
<td>GDF</td>
<td>Redrafted simplified norms. Redrafted</td>
<td>Simplified and enforceable</td>
<td>€€</td>
</tr>
<tr>
<td>Objective</td>
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<td>technical norms</td>
<td></td>
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<tr>
<td>Implement project to develop a twin track approach to forest management based on threshold area</td>
<td>High</td>
<td>&lt;12 months</td>
<td>GDF</td>
<td>Redrafted and simplified requirements for small forest areas</td>
<td>Simplified management practices and regulation for small private owners</td>
<td>€</td>
<td></td>
</tr>
<tr>
<td>2.8 Complete the National Forest Inventory</td>
<td>Provide funding to ICAS for field data collection and analysis for 2011 and 2012</td>
<td>Critical</td>
<td>MoEF GDF</td>
<td>Proportion of field data collected</td>
<td>Statistically based NFI enabling Romania to fulfill reporting requirements and to support forest carbon accounting</td>
<td>€€€</td>
<td></td>
</tr>
<tr>
<td>2.9 Establish a National Forest Carbon Accounting Unit</td>
<td>Establish forest carbon accounting unit in ICAS</td>
<td>High</td>
<td>MoEF</td>
<td>Unit established with clear remit</td>
<td>Enhanced reporting of forest carbon using own developed standards approved by IPCC resulting in increased stated levels of forest sequestration</td>
<td>€</td>
<td></td>
</tr>
<tr>
<td>2.10 FMIMS and SUMAL functional and supporting monitoring and development of the sector</td>
<td>Undertake a scoping exercise to determine the extent of required modification and to prepare a ToR for the project team to undertake the work</td>
<td>Enabling</td>
<td>GDF</td>
<td>ToR prepared, scope of required changes agreed</td>
<td>An integrated information system meeting needs of overall sector</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Establish dedicated full time project team to undertake the necessary development of FMIMS and SUMAL</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>GDF</td>
<td>Project team in place; Project reports; Project milestones and deliverables.</td>
<td>Integrated, cost effective and technically robust solution for improved FMIMS and SUMAL</td>
<td>€€</td>
<td></td>
</tr>
<tr>
<td>Oversee implementation of FMIMS and SUMAL installations and</td>
<td>High</td>
<td>&gt; 18</td>
<td>GDF</td>
<td></td>
<td>Fully functional system in use throughout the sector</td>
<td>€</td>
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<tr>
<td>improved FMIMS and SUMAL</td>
<td></td>
<td>months</td>
<td></td>
<td></td>
<td>record of users; system logs</td>
<td>enabling ongoing monitoring and control and supporting EU FLEGT</td>
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3. **Natura 2000 Network and Forestry**

3.1 **Highly protected status of Natura 2000 sites**

- Amend the status of Natura 2000 sites in forest areas from highly protected to one that will facilitate on-going sustainable forest management
- High
- < 6 months
- MoEF
- Status changed in line with other EU countries
- To remove the barriers to active and sustainable management of forest resources
- -

3.2 **Integration of Natura and Forest Management Planning**

- Harmonize permitting system for Natura 2000 with approval process for FMPs
- High
- < 12 months
- MoEF / GDF
- Revised permitting system for FMP and Natura 2000
- More informed and harmonized approach to the sustainable management of forest and habitat resources
- -

4. **Funding and EU Absorption**

4.1 **Develop an Indicative Forestry Statement (IFS) to support future afforestation under NDRP**

- Develop ToR for project to prepare national IFS
- Enabling
- < 3 months
- GDF
- ToR and scope for IFS
- Sound basis for scope and detail of IFS

- Implement project to prepare IFS concurrent with NFPS preparation
- High
- < 12 months
- GDF
- Project reports, milestones and deliverables
- Informed basis for future national afforestation and
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<tbody>
<tr>
<td><strong>4.2 Improve coordination, uptake and implementation forestry measures</strong></td>
<td>Establish interdepartmental committee to address implementation of forestry measures</td>
<td>Enabling</td>
<td>&lt; 3 months</td>
<td>MoEF / MARD</td>
<td>Committee established; Minutes of meetings</td>
<td>Improved uptake of forestry measures and absorption of EU funds</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Simplify applicant guides and procedures for forestry measures</td>
<td>High</td>
<td>&lt; 12 months</td>
<td>APDRP / GDF</td>
<td>Revised simplified guides;</td>
<td>Barriers for potential applicants reduced resulting in higher absorption of funds</td>
<td>-</td>
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<td></td>
<td>Enhance awareness among potential applicants of forestry measures</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>APDRP / GDF</td>
<td>Awareness raising events; Media campaign; Awareness materials</td>
<td>Increased awareness and high level of quality applications</td>
<td>€34</td>
</tr>
<tr>
<td></td>
<td>Transfer implementing responsibility for forestry measures to GDF for next NPRD</td>
<td>High</td>
<td>&gt; 18 months</td>
<td>MARD / MoEF</td>
<td>Government Decision to transfer responsibility for implementing forestry measures to GDF</td>
<td>Improved implementation and technical coordination for forestry measures</td>
<td>-</td>
</tr>
<tr>
<td><strong>4.3 Objective and efficient basis for charging for use of state owned</strong></td>
<td>Undertake study to determine the total economic contribution of Romsilva including public goods and determine appropriate economic rent due</td>
<td>High</td>
<td>&lt; 12 months</td>
<td>Sec State / GDF</td>
<td>Study reports</td>
<td>Objective basis to determine ownership return to State from use of forest resources</td>
<td>€</td>
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34 Funding for awareness campaign is responsibility of MARD and ADPRP as implementing agency
<table>
<thead>
<tr>
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<tr>
<td>resources</td>
<td>to Government as owner of the resource</td>
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<td>5. Human Resources Management</td>
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<tr>
<td>5.1 Career development programme for Romsilva staff</td>
<td>Review and improve current appraisal / evaluation system</td>
<td>High</td>
<td>&lt; 6 months</td>
<td>DG / HR 35</td>
<td>System of performance indicators discussed with staff</td>
<td>Set into operation a new system of performance evaluation, based on performance criteria</td>
<td>€</td>
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<td></td>
<td>Determine staff training needs especially business development, change management etc</td>
<td>High</td>
<td>&lt; 12 months</td>
<td>HR</td>
<td>Training needs analysis report with identified priorities</td>
<td>Clear prioritized training needs to support future development of Romsilva</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td>Develop company-wide continuous training program</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>HR</td>
<td>Training modules; Training materials; Staff trained</td>
<td>Ongoing continuous skills improvement supporting future growth and development of the organization</td>
<td>€</td>
</tr>
<tr>
<td>5.2 Training to support BPR implementation</td>
<td>Train BPR working groups in overall process and methodology and senior managers in basic BPR concepts and techniques</td>
<td>High</td>
<td>&lt; 3 months</td>
<td>DG</td>
<td></td>
<td>Working groups with skill sets to undertake BPR phase I. Receptive senior managers to BPR process</td>
<td>€</td>
</tr>
<tr>
<td>5.3 Enhance staff performance</td>
<td>Develop a job performance monitoring system</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>MoEF</td>
<td></td>
<td>Set into operation a new system of performance evaluation, based on</td>
<td>€</td>
</tr>
</tbody>
</table>

35 HR = Human resource unit within Romsilva
<table>
<thead>
<tr>
<th>Objective</th>
<th>Sequenced Actions</th>
<th>Impact / Priority</th>
<th>Implementation Period</th>
<th>Responsibility</th>
<th>Progress / Output</th>
<th>Target / Outcome</th>
<th>Estimated Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>evaluation – GDF</td>
<td>Develop a reward system dependent on tasks, functions and performance</td>
<td>High</td>
<td>&lt; 18 months</td>
<td>MoEF</td>
<td>Elaboration of criteria and mechanisms to tie reward to performance</td>
<td>Enhance staff motivation to assume responsibilities and perform at high standards</td>
<td>€€</td>
</tr>
<tr>
<td>5.4 Training to support development of NFPS and NDRP</td>
<td>Train key GDF staff in policy formulation and strategy development, including basic investment appraisal techniques</td>
<td>High</td>
<td>&lt; 3 months</td>
<td>GDF</td>
<td>Training programme; Staff trained</td>
<td>Capacity to guide and manage overall NFPS process and strategic input to next NDRP</td>
<td>€</td>
</tr>
</tbody>
</table>
ANNEX B: INSTITUTIONAL FRAMEWORK OF THE MAIN ROMANIAN ENVIRONMENTAL ORGANISATIONS

Annex B1: Overall Sector Institutional Framework

Annex B2: Organizational Chart of Ministry of Environment and Forestry
ANNEX B1: Overall Sector Institutional Framework

MINISTRY OF ENVIRONMENT AND FORESTS

ENVIRONMENTAL FUND ADMINISTRATION

NATIONAL ENVIRONMENT GUARD (NEG)

REGIONAL COMMISSARIATS

LOCAL COMMISSARIATS

NATIONAL ENVIRONMENT PROTECTION AGENCY (NEPA)

REGIONAL ENVIRONMENT PROTECTION AGENCIES (REPAs)

ENVIRONMENT PROTECTION AGENCIES (EPAs)

DANUBE DELTA BIOSPHERE RESERVE ADMINISTRATION

NATIONAL INSTITUTE OF RESEARCH AND DEVELOPMENT ICIM BUCHAREST

NATIONAL INSTITUTE OF RESEARCH AND DEVELOPMENT GRIGORE ANTIPA

NATIONAL INSTITUTE OF RESEARCH AND DEVELOPMENT DANUBE DELTA

NATIONAL ADMINISTRATION OF METEOROLOGY

NATIONAL FOREST ADMINISTRATION ROMSILVA

NATIONAL ADMINISTRATION ROMANIAN WATERS (ANAR)

WATER BOARD

WATER MANAGEMENT SYSTEMS

subordination

— — under authority

—— coordination
ANNEX C: INSTITUTIONAL MAPPING
Roles, responsibilities, staff and operation

MoEF and subordinated agencies (NEPA, REPAs, EPAs, NEG, ANAR, NEF)

1. The main administrative players in the field of environmental protection in Romania at present are:
   - Ministry of Environment and Forestry (MoEF)
   - National Environmental Protection Agency (NEPA)
   - Regional Environmental Protection Agency (REPAs)
   - Environmental Protection Agencies (EPAs) and
   - National Environmental Guard (NEG)
   - Environment Fund Administration (EFA)
   - National Administration “Romanian Waters” (ANAR)
   - National Forest Administration ROMSILVA

2. In addition, there are additional institutions/administrations within this field, which are:
   - Danube Delta Biosphere Reserve Administration (Tulcea)
   - National Administration of Meteorology
   - National Institute of Research and Development for Environmental Protection (ICIM Bucharest)
   - National Institute of Marine Research and Development “Grigore Antipa” (INCDM Constanta)
   - National Institute of Research and Development Danube Delta (INCDDD Tulcea)

3. The relationship between MoEF and these agencies is shown in Annex B1, and the areas of responsibility of the main environmental institutions can be illustrated shortly as follows (see Table 4.3 in the main body of report)

MINISTRY OF ENVIRONMENT AND FORESTRY (MoEF)

4. The Ministry of Environment and Forests (MoEF) is organized and operates according to the provisions of Romanian GD no. 1635/2009, on the organization and functioning of the MoEF, subsequently amended and completed.

5. MoEF carries out its activity in the following areas: strategic planning, sustainable development, environmental infrastructure and water management, meteorology, hydrology, hydrogeology, climate change, protected natural areas, waste management, hazardous substance and compound management, biodiversity conservation, biosecurity, air quality management and environmental noise management, forest management administration.

6. MoEF develops the national environmental and water management policy, elaborates the specific strategy and regulations for the development and harmonization of these activities within the general Government policy. It provides and coordinates the implementation of the Government strategy in its field of competence, acting as a State synthesis, coordination, inspection, and control authority in these fields.

7. MoEF’s main functions cover:
   - strategy:
- regulation and endorsement;
- representation;
- state authority in its fields of activity;
- administration;
- implementation and coordination of the EU and national financial assistance for Romania in the field of environment and forests, as well as management of external loans, other than EU ones; and
- monitoring, inspection and control.

8. While MoEF is responsible for policy-making and planning, operational functions (implementation, monitoring and enforcement) are delegated to territorial agencies, the National Environmental Protection Agency (NEPA) and National Environmental Guard (NEG).

9. MoEF currently operates with 535 staff, out of 747 approved positions (exclusive dignitaries and Minister’s cabinet).

**NATIONAL ENVIRONMENTAL PROTECTION AGENCY (NEPA)**

10. NEPA was reorganized according to the GD no. 918/ 30.08.2010 on reorganization and functioning of NEPA, as a special body of the central public administration, with legal statute, subordinated to the MoEF, with competencies in the implementation of environmental policies and legislation.

11. NEPA, as the environmental policy implementation arm of the central government, is a special agency responsible for enforcement and reporting on the nation’s state of the environment. It carries out these functions through the technical coordination of territorial environmental protection authorities at regional and local level (8 REPAs and 34 EPAs), and is responsible for ensuring that they have adequately trained staff. The main functions of this NEPA structure include: (i) issuing permits to all listed activities with a potential impact on the environment; (ii) conducting environmental inspections; (iii) monitoring environmental quality with a particular focus on ambient air quality and radioactivity.; and (iv) reporting periodically on the state of the environment to MoEF.

12. The main functions of NEPA in the environmental protection area are defined in Article 3 of GD no. 918/ 30.08.2010, as follows:

- technical support for law making, strategies and sector policies and action plans on environmental protection;
- implementation of policies, strategies and environmental legislation at national level;
- coordinating regional environmental agencies and county environmental agencies;
- regulatory authority, issuing regulatory acts, according to law;
- training of staff in the subordinated public institutions;

13. The main responsibilities of NEPA, as defined in Article 4 of GD 918/ 30.08.2010, refer to:

- providing technical support for strengthening environmental statistical system, proposing and participating in setting up the system of statistical indicators of sustainable development, under the coordination of MoEF;
- providing technical support for preparation of environmental documents resulting from Romania's obligations as a member of the EU or party of international conventions;
- providing technical support on the conditions, methods and tools used to monitor the environmental factors.
NEPA’s total approved staff positions: 210.

**REGIONAL ENVIRONMENTAL PROTECTION AGENCIES (REPA}s**

14. **REPA}s** were established in each Region according to the Law no. 315/2004 regarding regional development in Romania, further amended and completed:

<table>
<thead>
<tr>
<th>REPA</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bacau</td>
</tr>
<tr>
<td>2</td>
<td>Galati</td>
</tr>
<tr>
<td>3</td>
<td>Pitesti</td>
</tr>
<tr>
<td>4</td>
<td>Craiova</td>
</tr>
<tr>
<td>5</td>
<td>Timisoara</td>
</tr>
<tr>
<td>6</td>
<td>Cluj-Napoca</td>
</tr>
<tr>
<td>7</td>
<td>Sibiu</td>
</tr>
<tr>
<td>8</td>
<td>Bucharest</td>
</tr>
</tbody>
</table>

15. The geographic areas of responsibilities of the Regional Environmental Protection Agencies are shown in the map below.

16. **REPA}s** have the following main responsibilities:
   - coordinate the county environmental agencies (EPAs) of the respective region;
   - issue regulatory documents in accordance with the legislation in force;
   - follow the requirements of environmental legislation and regulatory acts; in the event of non-compliance, take appropriate measures in accordance with the legislation in force;
   - carry out data validation and processing of environmental information at regional level, to be submitted to NEPA, according to the law;
 develop, update and monitor the regional action plan for environmental protection and collaborate with local authorities on the development and implementation of environmental action plans at county level;
 ensure the administration of protected natural areas, that are not awarded custody;
 develop conservation measures and regulations for the protected natural areas that have their own administrator or custodian;
 monitor the activities of protected areas in its jurisdiction;
 implement and / or support implementation of policies and strategies for environmental education and public awareness in protected areas;
 collaborate with other RDAs and regional development councils for developing and monitoring regional development plan;
 prepare periodic reports on the status of environmental factors in the region, submit them to NEPA and make available to public;
 evaluate and analyze the strategic noise maps and action plans for noise reduction in the commissions held at the regional level;
 cooperate in developing and monitoring regional waste management plans with the authorities who have responsibilities in the field and coordinate the development of county waste management plans;
 monitor the contaminated sites management activities at regional level;
 participate in international programs and projects and partnerships in projects of public interest, in consultation with NEPA;
 ensure public access to environmental information, consultation and participation in environmental decision-making;
 fulfill other duties assigned by NEPA.

17. The 8 REPAs have currently 494 approved staff position.

ENVIRONMENT PROTECTION AGENCIES (EPAs)

18. EPAs were reorganized according to the GD 918/2010. They carry out the duties assigned by NEPA to implement policies, strategies and legislation on environmental protection at the county level.

19. EPAs have the following main tasks:

 issue regulatory documents in accordance with the powers set out in actual normative acts or the National Environmental Protection Agency;
 fulfill the provisions of art. 7 line (2) of the Government Decision no. 1.076/2004 regarding the procedure of environmental assessment for plans and programs, issuing environmental opinions on Urban Detailed Plan (UDP) and Urban Zonal Plan (UZP), with prior information received from REPA;
 manage the local operation of laboratories for analysis of air, waste, noise and vibration, and environmental radioactivity;
 may provide, upon request, laboratory measurements and analyses of environmental factors;
 operate the automatic monitoring stations of air quality and environmental radioactivity and transmit data to NEPA;
carry out continuous monitoring of air quality and environmental radioactivity and the measures provided for by specific legislation in case of special events;
provide primary data collection and validation needed to assess local air quality emissions inventories and submit to NEPA;
prepare regular status reports on local environmental factors;
ensure the development and implementation of plans and air quality management programs;
verify the implementation of environment protection projects; and
collect and process the data submitted by operators, for transmission to NEPA, including:
✓ collect and manage the data submitted by operators in order to achieve local emissions inventory and send them to NEPA;
✓ collect data and prepare reports on emissions of pollutants from activities with significant environmental impact, including from large combustion plants;
✓ nominate representatives in the committees to evaluate and analyze strategic noise maps and action plans for noise reduction;
✓ gather, validate and process environmental data and information at the county level; and
✓ participate in implementation and monitoring of waste management plans.

20. EPAs no. of total approved staff is 1352

NATIONAL ENVIRONMENTAL GUARD (NEG):

21. The National Environmental Guard is a separate institution in charge of enforcement of the provisions of environmental permits. It coordinates with NEPA and local authorities, but its functions are seemingly distinct from the Inspection and Control Directorate within MoEF, which can also control compliance with environmental standards.

22. NEG was reorganized by the GD 112/ 18.02.2009 on reorganization and functioning of NEG. It is a special body of the central public administration, financed from the state budget, subordinated to MoEF. NEG’s main competencies refer to inspection and control activities.

23. NEG secures the control of the integrated, uniform and professional implementation of the governmental policy and application of the national law, regarding the environmental protection, harmonized with the EU legislation.

24. The main activity of NEG is focused on two directions, namely environmental protection and control of natural habitats, biodiversity and protected areas. The main responsibilities of NEG are defined in GD 112/ 18.02.2009 chapter III, as follows:

- develops, promotes and updates, together with MoEF the technical guidelines on monitoring and inspection activities;
- elaborates the annual plan of activities, including targets, concrete tasks and action plan;
- investigates the facts and applies sanctions, according to the legislation in force;
- participates in actions to prevent and combat criminal acts on nature in its field of activity, together with the competent bodies;
- controls the compliance with legal requirements in issuing regulatory acts;
proposes to the issuer to suspend and / or cancel the environmental consent / approval / permit / integrated environmental permit, in cases of non-compliance with the law;
meets an active role in European and international networks inspection;
checks the statements of business operators on the Environment Fund obligations;
develops a network of environment protection volunteers; and
checks the complaints about violation of legislation in the field.

NATIONAL ADMINISTRATION "ROMANIAN WATERS" (ANAR)

25. ANAR is the executive agency responsible for implementation of government/MoEF strategies in the water sector, including flood protection. It has 11 River Basin Administrations and 42 county-based Water Management Systems (SGA). The main mandate includes implementation of investment programs, flood protection, and securing the water sources for various users.

26. ANAR’s main responsibilities include:

- management of water resources, surface and groundwater protection from depletion and degradation, as well as rational and balanced distribution of these resources;
- administration, operation and maintenance of National Water Management System;
- administration, operation and maintenance of the National Hydrological and Hydrogeological monitoring infrastructure;
- administration, operation and maintenance of the National System of the Water Resource Quality Monitoring;
- IT network and telecommunications facilities of the water system, developing software products in the field of water management, hydrology and hydrogeology;
- allocating the right to use surface water and groundwater in all its forms for use with their natural potential, except for living aquatic resources, based on subscriptions, according to the Water Law no. 107/1996, as further amended and completed;
- protection against flooding;
- maintaining and operating the water works in the public domain;
- approval and authorization from the viewpoint of water management works and other water-related activities;
- staff training for improvement of water management;
- implementation of EU directives in the water sector; and
- fulfilling the Romania’s commitments within international agreements and conventions in the water sector;

27. ANAR keeps an updated ledger of all protected areas and Natura 2000 sites related to water works and the information is used in deciding the conditions set in the licenses issued for water use. All water use licenses are issued by ANAR, except for the users with trans-boundary effect, which are issued by MoEF.

28. ANAR’s no. of approved staff, at central and regional is shown in the table below (source: MoEF, 2010):
<table>
<thead>
<tr>
<th>ANAR units (central and regional)</th>
<th>Total no. of staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANAR - central</td>
<td>179</td>
</tr>
<tr>
<td>Basin River Administration</td>
<td></td>
</tr>
<tr>
<td>Someș-Tisa</td>
<td>838</td>
</tr>
<tr>
<td>Crișuri</td>
<td>508</td>
</tr>
<tr>
<td>Mureș</td>
<td>985</td>
</tr>
<tr>
<td>Banat</td>
<td>602</td>
</tr>
<tr>
<td>Jiu</td>
<td>675</td>
</tr>
<tr>
<td>Olt</td>
<td>989</td>
</tr>
<tr>
<td>Argeș-Vedea</td>
<td>1248</td>
</tr>
<tr>
<td>Buzău-Ialomița</td>
<td>694</td>
</tr>
<tr>
<td>Siret</td>
<td>957</td>
</tr>
<tr>
<td>Prut</td>
<td>775</td>
</tr>
<tr>
<td>Dobrogea-Litoral</td>
<td>452</td>
</tr>
<tr>
<td>Ec Stinca</td>
<td>64</td>
</tr>
<tr>
<td>INHGA</td>
<td>215</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9181</strong></td>
</tr>
</tbody>
</table>

**ENVIRONMENT FUND ADMINISTRATION (EFA):**


30. EFA was set up in 2005 to manage funds from pollution taxes, fines, and green fees in order to support programs in six areas: renewable energy, forestry (afforestation of degraded lands), scrap vehicle, water supply and sanitation, urban greening, and NGOs, private associations, and religious groups. In addition, NEF’s mandate includes the management of carbon funds resulting from the trading of Romania’s allocation of some 300 million Assigned Amount Units (AAUs)\(^{36}\) and financing renewable energy (RE) and energy efficiency (EE) projects in public buildings.

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\(^{36}\) International greenhouse gas emissions trading among Annex I (industrialized) countries, under Article 17 of the Kyoto Protocol
31. Although set up under an autonomous governance structure, for all practical purposes, EFA is under the direct control of MoEF, as its president is appointed by the Minister who also approves its strategy, funding priorities, and annual plans, and its project approval committee is chaired by the Deputy Secretary General of Environment. Moreover, while EFA functions as a revolving fund with an average annual € 300 million worth of business, it also directly manages hundreds of contracts.

32. The EFA’s sources of income are public and consist of income taxes and contributions, distributed according to GD no. 92/2003 regarding the Fiscal Procedure Code, republished, with subsequent amendments.

33. Specialized EFA’s departments for filing, fund recovery and fiscal inspection conduct the following main activities:

- undertaking payment analytical evidence of funds declared and paid;
- taking over and recording the statements on payment obligations to the Fund's income from the economic operators;
- coordinating and monitoring activities related to the revenues collected at Environmental Fund;
- issuing summons and enforcing economic operators to pay arrears to the Fund.

34. According to EFA’s latest annual report (2010), it has 153 approved positions - as foreseen in Minister’s Order (MO) no. 1119/06.08.2010 regarding the organizational structure of EFA.

35. The same document states the number of contributors at its budget over the period of 2002-2010 (188,378). The total value of contributions paid to the EFA budget over the period of January-December 2010 is 1,147,012,970,69 lei.
ANNEX D: ENVIRONMENTAL PERMITTING PROCESS

D1 - GENERAL FLOWCHART OF THE PERMITTING PROCESS

Legend:
U.C. – Urbanism Certificate
ENV – Environment(al)
SEA – Strategic Environmental Assessment
AA – Appropriate Assessment
EIA – Environmental Impact Assessment
CEPA – Competent Environmental Protection Agency
MO – Minister’s Order
IEP – Integrated Environmental Permit

[Diagram of environmental permitting process]
D2 - APPROPRIATE ASSESSMENT (AA)

Objective
Appropriate Assessment is a procedure used to determine whether plans/programs/projects may have an impact on Natura 2000 sites, in which case, certain phases followed, to issue an administrative act that confirms the integration of the aspects regarding protection of natural habitats and wild flora and fauna in the respective investment plan or program/project.

Regulatory document
Natura 2000 Approval represents the administrative act issued by EPA, containing the conclusions of the AA and determining rules for implementing the plan or project in terms of natural protected areas of community interest, included or intended to be included in Natura 2000 ecological network. In the case of projects that are subject to strategic environmental assessment (SEA) or to environmental impact assessment (EIA), the appropriate assessment of potential effects on natural protected areas of community interest is an integrated part of the two above mentioned. In this case EPA issues:

- Environmental approval or request rejection (when links to SEA)
- or,
- Environmental agreement or request rejection (when links to EIA), these documents including the conclusions of appropriate assessment. In these situations, Natura 2000 Approval is not issued.

European legislation

Romanian legislation
- G.E.O 57/2007 on the regime of natural protected areas, conservation of natural habitats, wild flora and fauna, with further modifications and completions.;
- M.O 135/2010 on approving Methodology for implementing the environmental impact for public and private projects;
- M.O 19/2010 for the approval of the methodological Guide regarding appropriate assessment of potential effects of the plans and projects on natural protected areas of community interest
- G.D No 445/2009 regarding the environmental impact assessment of certain public
- MO No 863/2002 regarding the approval of methodological guidelines to be applied to the framework procedure for environmental impact assessment;
- MO No 864/2002 for the approval of the impact assessment procedure and public participation to the decision-making process for the projects with trans-boundary impact
- G.D 1076/2004 – regarding the establishment of the environmental assessment procedure of certain plans and programs (Romanian legislation - Directive 2001/42/EC)
- M.O 995/2006 - on approval of the list consisting of plans and programs falling under G.D No 1076/2004 on establishing the procedure for plans and programs environmental assessment
- M.O 117/2006 - on approval of the Manual concerning the implementation of environmental impact assessment for plans and programs;
- G.D 564/2006 - on the framework of public participation to elaboration of environmental plans and programs.

**Detailed procedure**

1) The owner submits the Presentation Memo to CEPA, done according to M.O 19/2010.
2) Within 15 days of documentation submission, CEPA analyzes the documentation, verifies the location, organizes TAC meeting and takes the decision on project classification.
3) Within 3 days after the decision on classification stage, CEPA informs the owner and sends him the public announcement regarding the project decision classification stage. In addition, CEPA publishes on the website the project decision classification stage and the ad of it. Within 3 days from the ad receipt, the owner publishes it in media, displays it at its premises and on its own website and at the local public administration on the area where project implementation is proposed.
4) The public may have comments regarding the project decision classification stage within 5 days after publishing.
5) Within 10 days after the receipt of justified comments, CEPA invites TAC members to attend to final decision making classification stage:
   a. The proposed plan/program/project does not require the rest of AA phases, for projects without significant impact on natural protected areas of community interest;
   b. The proposed plan/program/project requires AA phases, for projects with significant impact on natural protected areas of community interest.
5) If the initial decision is reconsidered, CEPA has to make it public by posting it on its website; the owner must publish a related ad on media.
6) If B version, EA study is performed, according to M.O 19/2010.
7) EA study is submitted to CEPA, both on paper and electronically.
8) Within 15 days after study submission, CEPA analyzes received documentation and displays it on its own website.
9) The public may make comments within 5 days after posting date of publishing the documents on CEPA’s website.
10) CEPA organizes TAC meeting and decides:
   a. transition to alternative measures stage, for projects that was decided that negative impact persists, and informing the project owner in writing on the decision taken;
   b. issuing Natura 2000 approval or by case environmental approval or agreement, to projects for which the analysis of mitigation measures decided that significant impact is removed/reduced.
11) EA study is completed with alternative solutions and submitted to CEPA.
12) Within 15 days after submission of additions, CEPA analyzes alternative solutions and makes them available to the public by posting on its own website and, by case, at its premises.

13) Public comments may be sent within 5 days after posting date on CEPA website the additions.

14) CEPA organizes TAC meeting and decides:
   a. transition to compensatory measures, if alternative solutions indicates a reduced negative environmental impact, but the project must be carried out for imperative reasons of overriding public interest relating to human health, public safety and environmental benefits, including social or economic nature.
   b. issuing Natura 2000 approval or, by case, environmental approval or agreement, if alternative measure removes/reduces negative impact.
   c. request rejection, if identified alternative solutions does not remove/reduce the negative impact on the integrity of natural protected areas of community interest and in the absence of major public interest grounds.

15) EA study is completed with compensatory measures and submitted to CEPA.

16) Within 15 days after filling EA study with compensatory measures, CEPA analyzes compensatory measures and makes them publicly, by posting them on the website, and by case, at its headquarters.

17) Public comments may be submitted within 5 days after posting on CEPA website additions.

18) CEPA convokes TAC meeting and decides:
   a. issuing Natura 2000 approval, and by case environmental approval or agreement;
   b. rejection of request.

Note:
For projects of major public interest affecting a species or priority habitat for which claims other imperative reasons of overriding public interest than those relating to human health, public safety or environmental benefits, before issuing Natura 2000 approval, CEPA is sending the form from Annex 3 of Methodological guide on EA, to central public authority for environmental protection, form filled out with requested information and the appropriate assessment study with further completions.

Based on these documents, CEPA is requesting EC opinion on the specific project and submits the EC’s answer to competent authorities, for final decision making.

After completion of the aforementioned activities, CEPA issues Natura 2000 approval or the request rejection, considering TAC and EC members’ opinion.

For projects not affecting a species or a priority habitat and for which it was issue Natura 2000 approval, the competent authority submits to central public authorities for environmental protection the form from Annex 3 of Methodological guide on AA, completed with requested information, AA study with its further completion and also the regulatory document that was issued.

Central public authority for environmental protection, informs EC on compensatory measures taken for protecting Natura 2000 Network global consistency.

Procedure duration
The procedure for environmental agreement can have a maximum duration of 81 days + number days to prepare the necessary documentation and related completions (if needed).
Abbreviations

AA- appropriate assessment
EIA – environmental impact assessment
CEPA – competent environmental protection authority
GD – Government decision
GEO – Government emergency ordinance
MO - Minister’s ordinance
IPPC – integrated pollution prevention and control
TAC – technical analysis committee
D2 - APPROPRIATE ASSESSMENT (AA) PROCEDURE FLOW CHART

1. Memorandum presentation → submission to EPA.

2. EPA – location check and classification decision.

3. Informing the public about the decision taken

4. Public comments on the decision taken

5. EPA final decision on classification

A. The project doesn’t need the rest of EA’s phases.

Natura 2000 approval, environmental approval or environmental agreement

B. The project needs EA.

6. Preparing EA study

7. Submission of EA study to EPA

8. EPA – informing the public

9. Public’s comments

10. EPA Decision

11. Completing EA study with alternative solutions

A. Transition to alternative solutions phase

12. EPA – informing the public

13. Public’s comments

14. EPA decision

A. Transition to compensatory measures phase

15. Elaborating EA study with compensatory measures

16. EPA – informing the public

17. Public’s comments

18. EPA decision

B. Issuing Natura 2000 approval, environmental approval or environmental agreement

C. Rejection of request
Objective

EIA is a procedure followed in the situation of new investment projects or extending the existing ones, to determine conditions and, if the case, necessary environmental protection measures.

Regulatory act - environmental agreement

Environmental agreement is the regulatory document issued by CEPA for investment projects. By the environmental agreement are established conditions and by case the environmental protection measures, that must be followed when achieving a project.


Romanian legislation

- G.D No 445/2009 regarding the environmental impact assessment of certain public and private projects;
- M.O 135/2010 on approving the Methodology for the implementation of environmental impact assessment for public and private projects
- MO No 863/2002 regarding the approval of methodological guidelines to be applied to the framework procedure for environmental impact assessment;
- MO No 864/2002 for the approval of the impact assessment procedure and public participation to the decision-making process for the projects with trans-boundary impact
- G.E.O 57/2007 on the regime of natural protected areas, conservation of natural habitats, wild flora and fauna, with further modifications and completions.
- M.O 19/2010 for the approval of the methodological Guide regarding appropriate assessment of potential effects of the plans and projects on natural protected areas of community interest.

Detailed procedure

1) The owner requires issuance of environmental agreement to CEPA, by filling out a notification accompanied by a certificate of urban planning regarding the execution of constructions and annexed plans. The owner pays a fee to CEPA.

2) Within 10 days from the notification, CEPA identifies the site and decides:

- The Project is not subject to EIA procedure or EA – for the projects that fall under art. 28 from G.E.O 57/2007 and G.D 445/2009;
- Justified rejection of the project – for projects located in areas with building restrictions established by the legislation of environmental protection, indicating non-compliances and incidents of legal acts whose provisions are met.
The need to start EIA procedure, including the EA, for projects related to activities that fall under art. 28 of the GEO 57/2007 and G.D 445/2009;

The need to start EIA procedure, for projects related to activities that fall under G.D 445/2009 and not under art. 28 of the EGO 57/2007;

The need to start EA procedure - for projects related to activities that fall under art. 28 of the GEO 57/2007.

3) For the versions C and D, a Presentation Memo, is issued – its content is stipulated in Annex 5 of the Order 135/2010.

For projects that fall under art.28 of the G.E.O 57/2007, the Presentation Memo will contain information provided in the methodological guide on EA.

For projects that fall under the legislation on control of activities of major accident hazards involving dangerous substances, the memorandum will be accompanied by notification specific to the respective legislation.

4) The Memorandum of presentation is submitted to CEPA, both on paper and electronically.

5) Within 15 days after submission of the Memorandum, CEPA announces the interested public about the investment request for the environmental agreement, by publishing it on their website and at their headquarters. In addition, CEPA sends the owner the ad model to published compulsory in media within 3 days. It will be displayed it on the website and at the headquarters of local government authority in the area where the project implementation is proposed.

Note : CEPA evaluates the potential significant trans-border effect for the projects under the Law no. 22/2001 (for the ratification of Epsoo Convention) and submits to the environmental protection central public authority the Memorandum and the minutes on verification of the location and, if applicable, support documents for the projects with a potential significant trans-border impact or informs the environmental protection central public authority about the projects under the Law 22/2001 for which there was established that there is no potential significant trans-border impact.

6) CEPA organizes TAC meeting and takes the decision on screening stage.

7) Within 3 days from the decision-making, CEPA displays on their website the decision process on screening stage, publishes the announcement, informs and sends the owner the model for public ad, to be published in local and national media.

The owner informs the public on the project screening stage decision within 3 days from ad receipt, by publishing it in local and national media and by posting it on its own headquarters and on its website and as well at the local authorities premises in the area where the project implementation is proposed.

8) Interested public may submit comments to the draft screening stage within 5 days from the date of publishing the ad in media.

9) Within 10 days of receipt comments, CEPA invites TAC members to participate in the decision screening stage. Initial decision may be reconsidered.

10) If motivated public comments leads to reconsidering the decision, that shall be available to the public by EPA (posting on the website) and by the project owner (by means described above).

11) Final CEPA decision on screening stage may be:
A. conducting EIA and EA – for projects in Annex 1 of G.D 445/2009 and for the one in Annex 2 of G.D 445/2009, for which it was decided that it is necessary conducting EIA, and for which it was established that could significantly affect protected natural areas of community interest;

B. conducting EIA without EA – for projects in Annex 1 of G.D 445/2009 and for one in Annex 2 of G.D 445/2009, for which it was decided that it is necessary EIA and for which it was established that could not significantly affect natural protected areas of community interest;

C. conducting EA – for projects in Annex 2 of G.D 445/2009, for which it was decided that it is not necessary EIA and for which it was established that could significantly affect natural protected areas of community interest;

D. issuing project development approval – for projects in Annex 2 of GD 445/2009, for which it was decided that it is not necessary EIA and for which it was established that could not significantly affect natural protected areas of community interest;

Note: There is a fee foreseen in M.O. 1108/2007, as amended, for each phase. Also, for the case when the procedure is complete and is finalized with an environmental agreement there is a tax to be paid to EFA.

12) Within 10 days after the notification on classification stage, CEPA makes a guide on environmental issues which must be analyzed in the report on environmental impact assessment and on the appropriate assessment study (if the case), considering the justified interested public proposals regarding the report content on environmental impact. The guide is made public on CEPA’s website. The transmission of CEPA’s guide does not exclude further request of additional information.

For the projects which contain activities under the IPPC legislation, the guide foresees also the necessity to apply the environmental integrated permit specific requirements, including the ones referring to the level of emissions associated with BAT or, by case the parameters or the equivalent technical measurements.

For the projects containing activities that implies hazardous substances and for which the security report needs to be elaborated and submitted according to the legal provisions concerning the control of activities with major accident risk that implies hazardous substances, the guide contains also this requirement.

For the projects for which AA was decided, the guide contains the necessity to submit AA study and the measures to reduce the impact on the natural protected areas of community interest, as well as other relevant aspects established by CEPA.

13) In the version 11.A, the proponent submits to CEPA (hard copy and electronic format) the AA study. The procedure is continued with the steps detailed for the AA procedure. After the approval of the AA study, the EIA procedure can continue by elaboration of the environmental impact report.

14) On the basis of the guide received, authorized legal or natural persons elaborate the environmental impact report and if applicable, security report. The environmental impact report will integrate also the conclusions of AA study.

15) The project owner submits to CEPA the environmental impact report and if the case, appropriate assessment study, security report on paper and electronically. In addition, the owner pays a fee for the report review stage.
Within 5 days after receiving the report, CEPA and the owner establishes the date and place for the public debate. The ad is made public on CEPA’s website and their headquarters. The owner has the obligation to publish the ad from CEPA, on local and national media and to display it on its headquarters or/ website/ local public authorities premises and/or on location information panel, with at least 20 days ahead of the public debate.

The interested public may sent to CEPA comments/observations at the submitted documentation, till the date of public debate. Interested public comments/observations/opinions from the public debate, is recorded on CEPA minutes.

Within 20 days from the public debate, CEPA decides:

A. EIA report completion, if there are comments from the public’s side.
B. organizing TAC meeting and taking the final decision.

If variant A, within 10 days of comments receipt, a TAC meeting is organized to decide if there are any completions necessary, or the final decision is taken.

If variant B, during the TAC meeting, CEPA decides:

A. completion/modification of EIA report and/or security report, by case;
B. motivated EIA report rejection and/or security report, by case;
C. issue environmental agreement or request rejection.

If the conclusions of the authorities involved in the TAC are discordant, CEPA invites interested parties to a meeting, before issuing the final decision.

Within 18 days from the decision that was taken during TAC meeting, CEPA communicates to the owner the decision taken and sends him the model for the public.

In addition, CEPA displays the ad on its website on issuing/rejecting the environmental agreement and its project.

Within 3 days of ad receipt, the owner has the obligation to publish it in media, to display it on its website, on its premises and at the local public authorities headquarters on which is proposed project implementation.

Public’s observations may be received within 5 days from ad publication in media.

Within 5 days from previous term expiration, CEPA decides:

- procedure resumed with further elaboration of the evaluation, from information phase request.
- issue the environmental agreement
- rejection of the environmental agreement request.

**Procedure duration**

The minimum duration to obtain the environmental agreement (for the projects that do not fall under provisions of art. 28 of EGO 57/2007; and for projects under the GD 445/2009 which do not need EIA) is 10 days and the maximum is 134 days (for projects under the GD 445/2009 which need EIA) + the number of days necessary for preparing the documentation and its modification (if requested).
In the case when the projects fall under the provisions of art. 28 of GEO 57/2007, the steps described at AA procedure are needed to be followed. The duration of EIA procedure is modified, taken into account the duration of AA procedure. Nevertheless, due to the complexity of the procedure, it is difficult to quantify accurately the duration of EIA+AA.

**Abbreviations:**

- AA - appropriate assessment
- EIA – environmental impact assessment
- CEPA – competent environmental protection authority
- GD – Government Decision
- GEO– Government Emergency Ordinance
- IPPC – integrated pollution prevention and control
- REIA- environmental impact assessment report
- RS - security report
- TAC - technical analysis committee
D3 - EIA PROCEDURE FLOW CHART

1. Request + Notification → submission to CEPA

2. CEPA – site verification and decision making

A. The project is not subject to EIA and EA
   - Ranking the notification

B. Justified rejection of the project
   - Decision to reject the environmental agreement application

C. The need to start the EIA process, including EA
   - EA Procedure

D. The need to start the EIA process
   - 3. Preparing Presentation Memorandum
   - 4. Submission of the Presentation Memorandum to CEPA

E. The need to start the EA process
   - 5. Informing the public
   - 6. CEPA Decision
   - 7. Informing the public about the decision taken
   - 8. Public comments on the decision taken
   - 9. Maintainance or reconsideration of the decision
   - 10. Informing the public, if the decision is “reconsider”
   - 11. CEPA final decision on screening stage
11. CEPA final decision on project screening stage.

A. Conducting EIA and EA

12. Guide issued by CEPA.

B. Conducting EIA.

13. Conducting AA study

C. Conducting AA.

14. Submission to CEPA of the env. impact report, and, if applicable the security report

A. Completions of environmental impact report

AA Procedure

B. Final Decision

15. Organizing of public debate.

C. Issuing EIA or request rejection

16. Comments from the public

17. CEPA Decision

18. Informing the public

A. Completion/Modification of EIR

19. Public’s comments.

B. Rejection

20. CEPA Decision

D. Issuing approval of project development

Decision on screening stage
D4 - ENVIRONMENTAL AUTHORIZATION PROCEDURE

Objective
The procedure of environmental authorization is necessary for establishing the conditions and/or operating parameters of an existing or new activity, to mitigate the environmental impact.

Regulatory act

Environmental authorization is the administrative act issued by CEPA, which establishes conditions and/or operating parameters of an existing activity or a new activity with possible environmental impact, mandatory at commissioning. Categories of activities with significant environmental impact that require environmental authorization are listed in annex 1 MO M.M.D.D 1798/2007.

Romanian legislation

- GEO 195/2005 on Environmental Protection, with further modifications and completions
- M.O MMDD 1798/2007 for the approval of the Procedure of issuance of the environmental authorization.
- M.O 184/1997 for approval of the procedure for conducting environmental balances.

Detailed procedure

1) Upon request of an environmental authorization, or, by case, with 45 days prior to expiring the existing one, owner of the activity has to submit a file including:
- request for issuing environmental authorization;
- presentation sheet and declaration according to Annex 2 M.O 1798/2007;
- the proof that the request was made public by at least one informing method (posted on-site and at the local public administration premises, published in a wide circulation newspaper, posted on the own website, presented at radio and TV, etc.)
- situation plan and the objective framing plan in the area
- minutes on the compliance with all the conditions imposed by the environmental authorization
- registering form according to Annex 5 by M.O 1798/2007, for authorizing zoos, public aquaria and rehabilitation centers.

For waste disposal activities presented documentation contains additional specific requirements of GEO 78/2000 on waste, approved with amendments by Law 426/2001, with further modifications and completions, the G.D 128/2002 on waste incineration, as amended and completed and G.D 349/2005 on waste storage, with subsequent completions.

For the activities of zoos, public aquaria and rehabilitation centers, presented documentation contains additional specific requirements from Annex 5 of M.O 1798/2007.

2) CEPA checks the location and analyzes the documents received.
For the activities of zoos, public aquaria, rehabilitation centers, EPA fills out, upon on-site verification, table 2 form and table 3 report from Annex 5 of MO 1798/2007.

**A. For New Activities**, which followed previously an EIA procedure, CEPA decides, if:

**A.a.** additional information, documents or legal paper are necessary and is requesting them in writing to the activity owner, or

**A.b.** makes public the decision on issuance of environmental authorization, as well the program for consulting the documents, by posting it at its own premises and on its website.

**A.b.1.** Decision of issuance the environmental authorization may be disputed within 15 working days after the publication of decision.

**A.b.2.** The deadline for issuing the environmental authorization is a maximum of 90 days from the date of submission the complete documentation.

**B. Existing activities:**

**B.1.** Within 20 working days from the request submission date, CEPA elaborates a guide containing the problems resulted from initial analysis of documentation, the list of authorizations/approvals required, issued by other authorities and the necessity of conducting environmental balance.

**B.1.a.** CEPA decides that conducting the environmental balance is not necessary and issues the environmental authorization only after the appeal term of 30 days is expired.

**B.1.b.** CEPA decides that the environmental balance is necessary. By the environmental balance the impact of an activity site is quantified, reporting on the environmental conditions and the necessary remedial measures, according to the current standards and measures.

**B.2.** For B.1.b situation, the environmental balance is performed.

**B.3.** The owner of activity submits to CEPA a report containing the environmental balance (conclusions and recommendations), to be included in the compliance program.

**B.4.** The report containing conclusions and recommendations resulted from the environmental balance is subject to public debate.

**B.5.** After the public debate and analyzing its results, CEPA, owner of activity and TAC analyze the conclusions of environmental balance report and the public debate and establish if issuing the environmental authorization:

**B.5.a.** with compliance program.

**B.5.b.** without compliance program; the environmental authorization is issued after the appeal period expires.

**B.6.** The owner of activity conducts a draft compliance program.

**B.7.** The activity owner submits to CEPA a draft compliance program, within 10 days after decision taken in TAC meeting on issuance the environmental authorization, with achievable...
terms, responsibilities and identifying sources of funding necessary to conduct the compliance program.

B.8. CEPA analyses the draft compliance program and:

- **B.8.a.** completes or revises it, taking into account potential proposals from the authorities consulted.
- **B.8.b.** accepts the proposed draft compliance program. CEPA and the owner of activity establish the compliance program, based on the conclusions and recommendations of environmental balance.

The compliance program includes compliance measures, phases, terms and responsibilities.

B.9. The owner of activity submits to CEPA, after accepting the compliance program, the following documents:

a) final form of the compliance program;

b) presentation sheet and complete declaration containing operating and maintenance instructions for pollution control installations.

B.10. CEPA makes public the decision on issuance of environmental authorization; basic documents justifying the authorization are made available to the public, by posting them at its headquarters and on the website.

B.11. The decision may be disputed within 30 working days from the posting date.

B.12. After expiring the deadline for appeals, CEPA issues the environmental authorization.

**Procedure duration:**

According to art. 10 align. (1) of M.O 1798/2007, the period for issuing the environmental authorization is a maximum of 90 days from the date of submission complete documentation.

**Abbreviations**

- CEPA – competent environmental protection authority
- GD – government decision
- GEO – government emergency ordinance
- MO – minister’s ordinance
- TAC – technical analysis committee
- MESD – Ministry of Environment and Sustainable Development
D4 - FLOW CHART ENVIRONMENTAL AUTHORIZATION

1. Dossier acc. to MO1798/2007 → Submission to CEPA

2. CEPA – location check and documentation review.

A. New activities
   - A.a. Request for additional information/documents
   - A.b. Inform the public on decision to issue environmental authorization
     - A.b.1. Public comments
     - A.b.2. Environmental authorization issuance

B. Existing activities
   - B.1.a. Without environmental balance
   - B.1.b. Need for environmental balance
     - B.2. Preparing environmental balance.
     - B.3. Presentation conclusions balance to CEPA
     - B.4. Organizing public debate.
     - B.5. CEPA decision – env.authorization issuance
       - B.5.a. With compliance program
       - B.5.b. Without compliance program
B.5. CEPA decision - env. authorization issuance

B.5.a. With compliance program

B.5.b. Without compliance program

B.6. Elaborating draft compliance program

B.7. Submission of draft compliance program to CEPA

B.8. CEPA—analyzing draft compliance program

B.8.a. Revising/completing draft compliance program

B.8.b. Acceptance of draft compliance program

B.9. Final documentation → CEPA submission

B.10. CEPA decision → informing the public

B.11. Public’s appeals

B.12. Environmental authorization issuance
Objective

This integrated pollution prevention and control procedure is regulated at national level for activities/installations that might generate a significant impact on environment.

Regulatory act

Integrated environmental permit is the administrative act issued by EPA, which grants the right to exploit all or part of an installation, under certain conditions, to ensure that the facility meets the requirements for integrated pollution prevention and control. The authorization may be issued for one or more installation or parts of its, on the same site and operated by the same operator. The request and obtaining integrated environmental authorization are mandatory for carrying out existing activities, as well as starting new activities, set forth in annex 1 of GEO 152/10.11.2005 on integrated pollution prevention and control approved by Law 84/2006.

European legislation


Romanian legislation

- GEO 40/2010 on integrated pollution prevention, reduction and control, approved by Law 84/2006
- MAFWE Ordinance 818/2003 on approval of issuing procedure of the integrated environmental authorization, amended and completed by MEWM Ordinance 1158/2005;
- MAFWE Ordinance 36/2004 on approval of Technical General Guide for the application of the granting procedure for environmental integrated authorization.

Detailed procedure

1) The owner of activity/installation submits the request for obtaining EIP to the local authority for environmental protection. The request includes:

- The request form, according to the model from annex 1 M.O 818/2003;
- The Site report prepared according to Technical General Guide for application of the EIP issuance procedure, approved by MAFWE Ordinance 36/2004;
- The proof of publication of the ad regarding the request submitted for EIP;
- The proof of the fee payment for inspection/preliminary analysis of the application submitted.

EIP application form and site report will be submitted in three copies on paper and one copy electronically.
2) The preliminary analysis conducted by EPA determinates whether or not the request is properly made and if it meets the legal conditions to be subject to further analysis.

A request is not properly made if: it misses documents supporting the request or it refers to a plant that does not fall under those requiring application and issuance of an environmental integrated permit, or were not paid the necessary fees.

Therefore, after preliminary analysis EPA may decide:

A. Acceptance of the request – business owner/operator has to pay the fees for documents analysis stage.

B. Motivated rejection of the request - the applicant is informed; the authorization fee is not paid, but payment of the fee for verification stage is needed.

3) After the preliminary analysis of requesting documentation, local EPA submits in writing to the business owner/operator, within 10 working days, the response of acceptance or rejection of the submitted application.

A.1. All documents supporting the request that have passed EPA’s preliminary analysis are subject to detailed analysis carried out by RAEP. Detailed analysis of the documents supporting the request is made within TAC.

Within 20 days from the receipt of requested information on AIM for an activity/existing installation, new or an existing installation, which has undergone substantial, the regional authority responsible for issuing EIP, takes the following procedure steps:

   a) evaluates the request and supporting documents:

   b) checks the location and delimitation/identification of the plant, according to general technical guide;

   c) checks the public announcement, according to general technical guide.

Within 15 days from acceptance of application, REPA takes the following steps:

   a) establishes TAC members, from all representatives authorities involved in authorizing and regulating the operation of the activity/facility;

   b) sends copies of the request to the other authorities;

   c) convenes TAC and communicates to applicant the established date for starting analysis procedure for authorization request;

   d) presents to TAC the owner’s request and EPA’s proposal regarding the future course of procedure;

   e) presents to TAC EPA’s proposal on necessary additions to the supporting documentation;
f) finalizes, based on comments and proposals received from other authorities, the list of regulatory documents to be issued by other authorities prior to issuance of the environmental integrated permit.

When reviewing the documentation supporting the EIP application, an expert evaluation is needed, TAC may request for opinion from experts in the business under consideration.

**Note:** For activities/installations whose functioning could have significant negative effects on environment of another country, regional EPA will notify within 10 days from acceptance, the central authority for environmental protection.

Central authority for environmental protection will notify the central authority for environmental protection of that country, in terms of reciprocity and according to provisions of bilateral cooperation agreements.

Central authority for environmental protection establishes the final decision on granting or rejecting EIP only after consultations with other countries are completed. The central authority for environmental protection takes into account any representations received from other states.

**A.2.** Following the detailed analysis, RAEP establishes:

- **A.2.a.** continuing the procedure;
- **A.2.b.** rejection of the request, if the documents supporting the application are not properly prepared;
- **A.2.c.** completions based on TAC analysis report, in case of insufficient/unclear data and information needed for decision-making. Business owner/operator is required to transmit information and data within 30 days, for further proceedings.

**A.2.b.1.** In A.2.b case, RAEP is obliged within 10 working days to notify in writing the business owner/operator of motivated request rejection, and return the documents submitted, without the fee charged for verification stage.

If documentation is rejected, the business owner/operator is required to resume the procedure for issuing EIP from initial stage.

**A.2.c.1.** In A.2.c case, if business owner/operator is not submitting data and information within 30 days, the application is rejected (A.2.b).

**A.2.c.2.** In A.2.c. case, business owner/operator is submitting data and information within 30 days. Additions to submitted documentation, requested by RAEP, are reconsidered within TAC.

Note: In order to be authorized, it is compulsory that the installations are in compliance with the provisions of BREF/BAT.

**A.3.** Within 30 working days from ending EIP issuance procedure, of public consultation (the public has the right to submit in writing or verbal its comments on EIP issuance, within 30 days after application submission) and if no fundamental observations from public’s side, REPA decides:
A.3.1. conducts EIP project or

A.3.2. justified rejection of the application proposal,

for new activities/installations, existing ones subject to substantial modifications or existing facilities in accordance with the requirements of an integrated authorization.

In **A.3.1. case:**

**A.3.1.1. REPA** submits to TAC members the EIP project and requires written transmission of the comments/opinion within 10 working days.

REPA announces the business owner/operator on EIP submission to TAC members for consultation and analysis.

**A.3.1.2.** Within 10 days after TAC members receive the comments, RAEP convenes TAC in plenary regarding EIP projects completion, respectively environmental authorization with compliance program.

**A.3.1.3.** Within 5 days after plenary TAC consultation, RAEP informs the public, by media, on the decision of acceptance or rejection of EIP. The fee for the public ad is paid by the business owner/facility.

The public may submit comments within 30 days after ad publication:

**A.3.1.3.a.** Within 30 days from public announcement on issuance of EIP/environmental authorization with compliance program and in the absence of any fundamental comments from public side, **REPA is issuing EIP.**

**A.3.1.3.b.** If the observations from the public’s side justify deepening the evaluation and requesting new information or additional investigations, RAEP decides resuming the procedure from the request for information stage, with related charges of appropriate reassessment stages.

Business owners/operators, whose requests for EIP issuance have been rejected, may resume the procedure within 90 days from rejection date, with the payment of appropriate fees.

In **A.3.2. case:**

**A.3.2.1. REPA** submits to TAC members motivated rejection of the project submission application and ask for written comments/opinion within 10 working days. If there are no comments within 10 business days, means that none were made.

**A.3.2.2. REPA** announces the public, by media, on EIP request rejection. The fee for the ad is paid by the business owner/installation.

Business owners/operators, whose requests for EIP issuance have been rejected, may resume the procedure within 90 days from rejection date, with the payment of appropriate fees.

**Note:** According to art (7), align. (2), G.D 918/2010, county agencies for environmental protection with headquarters on counties where regional agencies for environmental
protection operates, are dissolved as a result of absorption and their takeover activity by regional agencies for environmental protection from those counties. Therefore, procedure of issuing EIP is completely taken by RAEP.

**Procedure duration**

Terms for carrying out the procedure of EIP are stipulated in M.O 818/2003 with further amendments and completions.

The procedure for obtaining EIP may have a maximum duration of 115 days from the date when RAEP decided to continue the procedure or request for completion the documentation.

**Abbreviations**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AA</td>
<td>appropriate assessment</td>
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<tr>
<td>BREF</td>
<td>Best Available Technique Reference Notes</td>
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<tr>
<td>CNAE</td>
<td>national classification of economic activities</td>
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<tr>
<td>EIA</td>
<td>environmental impact assessment</td>
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<tr>
<td>EIP-</td>
<td>environmental integrated permit</td>
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<td>EPA</td>
<td>environmental protection authority</td>
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<td>ELV-</td>
<td>emission limit value</td>
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<td>GD</td>
<td>Government decision</td>
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<td>GEO</td>
<td>Government emergency ordinance</td>
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<td>IPPC</td>
<td>integrated pollution prevention and control</td>
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<td>LAEP</td>
<td>local authority for environmental protection</td>
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<td>MO</td>
<td>Minister’s ordinance</td>
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<td>MWEP</td>
<td>Ministry of Water and Environmental Protection</td>
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<tr>
<td>MAFWE</td>
<td>Ministry of Agriculture, Forests, Water and Environment</td>
</tr>
<tr>
<td>REPA</td>
<td>Regional Environment Protection Agency</td>
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<tr>
<td>TAC</td>
<td>technical analysis committee</td>
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</tbody>
</table>
1. Application according to Order no.813/2003 – EPA

2. EPA – preliminary assessment

A. Application acceptance

A.1. RAEP – detailed assessment

A.2. RAEP decision

A.2.a. Continue the procedure

A.2.b. Application rejection

A.2.b.1. Notice to applicant

A.2.c. Request for completions

A.2.c.1. No completions sent in due time

A.2.c.2. On term completions

A.3. RAEP decision

A.3.1. Draft IP

A.3.1.1. RAEP notice to TAC members + opinion request

A.3.1.2. TAC meeting for finalizing EIP

A.3.1.3. RAEP – public notice

A.3.1.3.a. No public comments

A.3.1.3.b. Public comments

A.3.2. Application rejection

A.3.2.1. RAEP notice to TAC members + opinion request

A.3.2.2. RAEP public notice

EIP issuance

B. Motivated application rejection

A.1. RAEP – detailed assessment

A.2. RAEP decision

A.2.a. Continue the procedure

A.2.b. Application rejection

A.2.b.1. Notice to applicant

A.2.c. Request for completions

A.2.c.1. No completions sent in due time

A.2.c.2. On term completions

A.3. RAEP decision

A.3.1. Draft IP

A.3.1.1. RAEP notice to TAC members + opinion request

A.3.1.2. TAC meeting for finalizing EIP

A.3.1.3. RAEP – public notice

A.3.1.3.a. No public comments

A.3.1.3.b. Public comments

A.3.2. Application rejection

A.3.2.1. RAEP notice to TAC members + opinion request

A.3.2.2. RAEP public notice

EIP issuance
D6 - SEA PROCEDURE FOR PLANS AND PROGRAMMES

Objective

SEA procedure is undertaken for assessing the environmental aspects related to the development of plans and programs.

Regulatory act: environmental approval

Environmental approval is the administrative document issued by EPA, confirming the integration of environmental aspects in PP submitted for adoption. The approval of PP, at any hierarchical level, is conditioned by the existence of an environmental approval.

European legislation


Romanian legislation

- G.D 1076/2004 – regarding the establishment of the environmental assessment procedure of certain plans and programs (Romanian legislation - Directive 2001/42/EC)
- M.O 995/2006 - on approval of the list consisting of plans and programs falling under G.D No 1076/2004 on establishing the procedure for plans and programs environmental assessment
- M.O 117/2006 - on approval of the Manual concerning the implementation of environmental impact assessment for plans and programs;
- G.E.O 57/2007 on the regime of natural protected areas, conservation of natural habitats, wild flora and fauna, with further modifications and completions
- M.O 19/2010 for the approval of the methodological Guide regarding appropriate assessment of potential effects of the plans and projects on natural protected areas of community interest.

Detailed procedure

1) The owner submits to the EPA a notification with the First PP Version and informs the public by 2 media announcements, every 3 days. The public may submit comments and proposals for the First PP Version, within 18 days from the date of the first public announcement
For PP containing activities that fall under the provisions of art. 28 of GEO 57/2007, the first version of PP will also contain the information foreseen in the methodological guide on AA (the documentation will be submitted both on hard copy and electronic version).

2) For PP foreseen at art.5 alin.(2) of GD 1076/2004, CEPA informs the proponent in writing about the obligativity to conduct the environmental assessment – within 10 calendar days from the submission of the first version.

For PP foreseen at art.5 alin.(2) of GD 1076/2004, CEPA leads the screening stage (which is conducted within a specially established committee) and takes the screening decision (establishes if the environmental assessment is needed – environmental report and/or AA study). The screening decision is taken within 25 calendar days from the submission of the first version.

3) Within 3 calendar days from the decision making, EPA informs the public by posting on the website its motivated decision on classification stage, and the owner publishes a announcement in media.

4) Within 10 calendar days from the publication of the announcement, the public may formulate comments regarding the decision-making on classification stage. If there were public comments, within 15 calendar days from the deadline, EPA and SFC consult and reconsider the decision. In other 3 calendar days the decision on classification stage is issued (EPA publishes the decision on the website and the owner on media).

If there were no public comments, within 3 calendar days from the deadline for comments, EPA issues the decision on the classification stage.

5) The final classification decision:
   a. PP does not require environmental assessment and will be submitted for adoption without environmental approval.
   b. PP requires environmental assessment.
      c. PP require AA and EIA
      d. PP require AA and Natura 2000 endorsement

In variant B, which requires environmental assessment, an working group is set up, composed by the representatives of various authorities, following EPA recommendation.

6) In case d), the procedure continues with AA procedure.

8) 7) In case c) AA procedure is followed; after the AA study is accepted the procedure is continued with the steps from case B (the meeting of the working group can be held in paralel with the completion of the AA study). Meetings are organized with the members of working group for elaborating proposals on finalizing PP and establishing the domain and detail level of information that must be included in the environmental report. They also consider the significant effects of PP on the environment.

Certified persons/companies prepare the environmental report, based on the issues debated at the meetings of the working group and if applicable the conclusions of AA study. PP’s owner is announces in media (2 announcements, every 3 days) and on its own website, PP
disposal project, the completion of the environmental report, the location and the schedule of the consultations. The public can make written comments and proposals within 48 calendar days from the first published announcement.

Based on the public justified observations, the owner amends the draft PP and/or the environmental report prepared for it.

9) The environmental report is sent to the EPA and to the other authorities concerned by effects of PP implementation, within 5 calendar days from its completion. If the implementation of PP may have significant trans-boundary effects, the owner has the obligation within 20 calendar days to transmit the potentially affected states and PP draft environmental report in English.

10) PP’s owner organizes the public debate: :

- Within 45 calendar days after final submission of the environmental report, if implementation of PP may not have significant trans-bounder effects.
- Within 60 calendar days if implementation of PP may have significant trans-bounder effects. The organization of public debate, location, date and time, is announced by media in 2 ads published every 3 days.

During the public debate may be comments regarding PP project and the environmental report.

11) Based on the comments EPA takes the final decision:

a. Completion of PP and/or restore the environmental report, where relevant comments have been received.

b. The decision to issue the environmental approval, if no comments are received. This decision is taken within 15 calendar days from the public debate.

12) Within 3 calendar days after the decision to issue the environmental approval, EPA announces the PP’s owner and publishes the decision on its website. The holder has the obligation to notify by media the decision to issue the environmental approval, within five days of its receipt.

In the event of any comments, EPA takes the decision to issue the environmental approval only after the PP project was properly elaborated.

**Procedure duration**

1. **Screening stage**

   - For PP that require environmental assessment:

   - 10 days + 3 days (term to inform the public) + 10 days (time allocated for comments) = 23 calendar days – if no comments from the public’s side, or
1. For PP that require environmental evaluation (the screening stage is followed):

- 10 days + 3 days (term to inform the public) + 10 days (time allocated for comments) + 15 days (time to reconsider the decision) + 3 days (for public awareness) = 41 days – if any comments from the public side

For PP that require environmental evaluation (the screening stage is followed):

- 25 days + 3 days (term to inform the public) + 10 days (time allocated for comments) = 38 calendar days – if no comments from the public side
- or

- 25 days + 3 days (term to inform the public) + 10 days (time allocated for comments) + 15 days (time to reconsider the decision) + 3 days (for public awareness) = 56 days – if any comments from the public side

For PP that do not require environmental assessment:

- 10 days + 3 days (term to inform the public) + 10 days (time allocated for comments) = 23 calendar days – if no comments from the public’s side
- or

- 10 days + 3 days (term to inform the public) + 10 days (time allocated for comments) + 15 days (time to reconsider the decision) + 3 days (for public awareness) = 41 days – if any comments from the public side.

2. PP project completion stage, completion of the environmental report and the final decision:

- If PP do not have trans-border effects: 48 days (time allocated for public comments) + 45 days (term till public debate) + 15 days (term to final decision) + 3 days (term to communicate the final decision) = 111 calendar days
- If PP may have trans-border effects: 48 days (time allocated for public comments) + 60 days (term till public debate) + 15 days (term to final decision) + 3 days (term to communicate the final decision) = 126 calendar days.

In the event of any public comments the term is extended by the period in which the PP project and the environmental report are complete.

Thus, the procedure for obtaining the environmental approval for PP:

→ For PP that require environmental assessment and:

- PP do not have trans-border effects and:
  - No comments from the public side: 38 days + 111 days = 149 calendar days.
  - Comments from the public side: 56 days + 111 days = 167 calendar days.
- PP may have trans-border effects:
  - No comments from the public side: 38 days + 126 days = 164 calendar days
  - Comments from the public side: 56 days + 126 days = 182 calendar days
For PP that require environmental assessment:

- PP may not have trans-border effects and:
  - No comments from the public side: 23 days + 111 days = 134 calendar days
  - Comments from the public side: 41 days + 111 days = 152 calendar days

- PP may have trans-border effects:
  - No comments from the public side: 23 days + 126 days = 149 calendar days.
  - Comments from the public side: 41 days + 126 days = 167 calendar days.

In addition to these terms, there are terms to organize the meetings of the working group and to prepare the environmental report as well the period to complete the PP project and the environmental report, based on the possible comments. In case that the AA procedure is followed, the terms will be modified accordingly.

**Abbreviations:**

EPA – environmental protection authority
GD – Government decision
GEO – Government emergency ordinance
Function V – function of green area
PLO – percentage of land occupancy
PP – plans and programs
SEA – Strategic Environmental Assessment
SFC – specially formed committee
UDP – Urban Detail Plan
UGP – Urban General Plan
UZP – Urban Zone Plan
1. Notification + First draft of PP → Submission to CEPA

PP foreseen at art. 5(2) of GD 1076/2004

2. CEPA decision – Env. Assessment (EA) compulsory

3. Informing the public about the decision

4. Public comments on the screening decision stage

5. Final screening decision

A. PP does not require EA

PP adoption without environment agreement

B. PP requires EA

8. Conducting EA report

9. Submitting the environmental report to CEPA and interested authorities

10. Organise public debates

11. CEPA Decision

A. PP completion and/or revisión of ENV report

B. Issue of the environmental approval

6. AA procedure

7. Acceptance of AA study

PP completion and/or revision of ENV report and submission to CEPA

12. Inform the public
ANNEX E: PROCUREMENT PROCEDURES REVIEW

NOTE: The assessment and recommendations presented in this annex are overall consistent with and supportive of the Priority Action Plan (PAP)---coordinated by ACIS, and supported by the EC---related to improving the absorption capacity of EU funds. The PAP focuses on seven (07) priority areas (MAs' project management capacity; financial management, including co-financing; tender procedures; audit and control; analysis of external institutions; administrative capacity of the implementation bodies; capacity and ownership of the beneficiaries), and includes 40 priority measures.

A. Review of public procurement procedures

1. Romanian public procurement procedures are governed by the most recent European Union directives, including G. E O. No. 34/2006, regarding public procurement contract awards, public works concession contracts, and services concession contracts; amended and completed public procurement law (PPL) are mandatory for all purchases of goods, services, and works undertaken by contracting authorities acting in the public or private sector and in the utility sector. In Romania, public procurement contract awards are subject to principles of non-discrimination, equal treatment, mutual recognition, transparency, proportionality, efficient utilization of public funds, and assumption of responsibility, common among EU member countries. See Annex E1 (Legal Framework for Public Procurement).

2. The Stakeholders analysis in Public Procurement is presented in Annex E2. The most critical among these stakeholders are the entities that apply the PPL. Contracting authority categories recognized by the PPL are presented in Annex E3 (Contracting authorities). Procurement process interactions among stakeholders and contracting authorities are found in Annex E4 (Romanian Public Procurement System).

3. The Romanian public procurement process is characterized by the following features:

a) Internal department specialized in public procurement. Each contracting authority must establish an internal department (PPL, art 304) for awarding procurement contracts; the department has the following responsibilities:

   • prepare and update an annual public procurement program as a management tool to plan the acquisition process;
   • prepare, or coordinate preparation of award documentation; organize a design contest and prepare contest documentation;
   • advertise competitions;
   • apply and complete award procedures; and
   • establish and preserve public procurement file.

b) Unique electronic platform for advertising procurement contracts. Through PPL the Electronic System for Public Procurement (ESPP), www.e-licitatie.ro is the unique platform for national-level publishing of procurement contract notices. Also, through ESPP, contract notices are submitted for publication in the European Public Procurement Journal—Tender Electronic Daily, or TED, a supplement of the Official Journal of European Union (OJEU). Public procurement documents published on ESPP include the following:

   • prior information notice;
   • contract notice/invitation;
• tender documentation including answers to clarifications requested and other information regarding the procurement process; and
• award notice

c) **Thresholds for opening the competition to national, EU, or WTO level and applicable advertising rules.**

• Competitions are open to national level if the estimated contract value exceeds €15,000 but does not exceed national thresholds shown in Table 1. The EU thresholds are found in Annex E5 (Thresholds for Selecting Procurement Procedures).
• Direct purchase is not considered an award procedure; €15,000 is the Romanian threshold for direct purchase of goods, services or works under PPL Art.19.
• Competition must be opened to EU and World Trade Organization (WTO) countries if the estimated contract value exceeds thresholds indicated in Table 4, (EU Thresholds from Annex 5). If the competition is open to EU and WTO levels, all notices are published in Official Journal of European Communities (OJEC) and on Electronic System for Public Procurement (ESPP)—the prior information notice, contract notice, and awarding notice.
• National-level competitions do not exclude EU economic operators, but national-level and EU level competitions differ in the time allocated for elaborating tenders.

d) **Single remedy mechanisms.** The PPL provides a single mechanism for remedies; the National Council for Solving Complaints (NCSC) issues decisions on complaints before the Court that arise in procurement procedures. To ensure that the remedy mechanism is effective, the legislator imposes a ‘standstill’ period after contract award, which means that the contracting authority can conclude a public procurement contract or framework agreement only after:

- **11 days** from the date of transmitting the result, if the estimated contract value is larger than EU thresholds; and
- **6 days** from the date of transmitting the result if the estimated contract value is smaller or equal to EU thresholds.

Any contract or framework agreements concluded before the above terms are fulfilled will be considered null and void.

Complaints should be addressed to NCSC in:

- **10 days** from the day of knowledge of an act deemed illegal, if the value of the contract is equal to or greater than the EU threshold; and
- **5 days** from the day of knowledge of an act deemed illegal, if the value of the contract is smaller than the EU threshold.

The NCSC must issue a decision within 20 days of receipt of the public procurement file from contracting authority; a 10-day extension may be granted. If NCSC rejects a complaint, the contracting authority will retain an amount from the guarantee of participation, determined by PPL, relative to the estimated contract value. Any contract or framework agreement concluded before complaints or appeals are solved is considered null and void.

e) **Types of procedures for a public procurement contract award.** Under the PPL, awarding procedures include (i) open; (ii) restricted; (iii) competitive dialogue; (iv) negotiated procedure with prior publication; and (v) negotiated procedure without prior publication. Annex E6 presents Romanian
Public Procurement Procedures, PPL awarding procedures and their characteristics. The PPL also provides for special modalities for awarding public procurement contracts that include: (i) framework agreement; (ii) dynamic purchasing system; and (iii) electronic auction, which are found in Annex E7 (Special Modalities for Awarding/Concluding a Contract/Framework Agreement).

Government Decision no 1660/2006, amended and completed, states that the contracting authority must use electronic means for at least 40 percent of annual public expenditure procurement. The PPL recognizes selection criteria for contract awards. Electronic means are unsuitable for service contracts related to intellectual property; a Dynamic Purchasing System is inappropriate for a works contract; and a competitive dialogue is inappropriate for a common supply or services contract.

f) Estimated duration of contract awarding procedures. Under PPL, duration is calculated from date of dispatch of contract notice or invitation until contract signing, excluding time required to resolve complaints. Regardless of procedure type, the contract should be awarded within 20 days from the date tenders are opened. In exceptional cases, contracting authorities may be granted one extension. Results for each award procedure are found in Annex E8. Procurement procedure duration is calculated in calendar days.

g) Public procurement contract type. Three PPL-recognized categories of public procurement contracts exist; these are found in Annex E9. The PPL does not distinguish among works, supplies, or services contracts for the award procedure; instead, the procedure depends on estimated contract value so for all categories of contract with an estimated value of €5,000,000, the contracting authority must observe the same rules, time limits, and steps. However, time limits for tenders differ according to the level of competition; for example, opening public procurement to EU and WTO countries for works contracts with estimated values greater than €4,845,000, regardless of whether they are for supply or services. A compulsory public opening of bids is required for all cases for an estimated contract value at least €125,000; €387,000 in case of supply and services contracts awarded by contracting authorities from utility sector.

In practice, problems arise due to the lack of legal provisions related to how to choose a specific procurement contract and how to elaborate contractual clauses. For example, a contracting authority that awards a public works contract must have a comprehensive design and a corresponding realistic estimated value to allow eligible economic operators to make serious bids. Otherwise, multiple problems arise during contract implementation; if design omissions are discovered, the contractor will demand additional funds to complete the works and will invoke the design or specification omissions to justify the request.

More problems arise if the contracting authority awards a public works contract for both design and execution of works because the contracting authority must have a comprehensive feasibility study with an associated value, which covers the period for both design and execution of works. In this circumstance, all the problems appear during the execution of works period when the contractor asks for more funds to complete the works, citing an incomplete feasibility study and incomplete initial estimates for contract value. In addition, poorly skilled consultants exacerbate these problems because the services contract lacks specifications related to essential activities that are not covered by the contract value.

h) Procurement process. The PPL rules govern and affect the three main stages of procurement: pre-competition; competition; and post-competition. Each stage includes activities and sub-activities, which are found in Annex E10. The procurement process duration depends on contracting authority capacity to finalize technical specifications. For this reason, the PPL considers the day of publishing the contract notice or the invitation to tender as ‘Day 0.’ Also, in the detailed Gantt charts (available
separately), procedures start when the invitation/contract notice is dispatched to be published on ESPP. Process durations are calculated in working days while the PPL durations are in calendar days.

B. Constraints and challenges to high-quality procurement

4. Inadequate skills, knowledge, and experience in managing the overall process. Many contracting authorities underestimate the value of procurement specialists’ contributions to the process and overestimate the importance of technical staff. In fact, a high-quality procurement process requires the two specialties to work closely together. Technical staff understand which goods and services are needed and procurement staff understand contracts, specifications, bids and qualifications. The most common potential problems in procurement processes are below.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Activity</th>
<th>Potential problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-competition</td>
<td>Prepare technical papers</td>
<td>Imprecise technical specifications</td>
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<tr>
<td></td>
<td></td>
<td>Miscalculated estimates for contract value</td>
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<tr>
<td></td>
<td></td>
<td>Disproportionate qualification requirements</td>
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<tr>
<td></td>
<td></td>
<td>Irrelevant or imprecise awarding factors</td>
</tr>
<tr>
<td></td>
<td>Prepare tender documentation</td>
<td>Poor quality bidding documents</td>
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<tr>
<td></td>
<td></td>
<td>Bidding documents main provisions are changed after contract notice is published</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evaluation committee appointees lack knowledge of public procurement rules / contract scope</td>
</tr>
<tr>
<td>Competition</td>
<td>Evaluation period</td>
<td>Bidder qualifications are not thoroughly checked</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Superficial evaluation of technical and financial proposals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak criteria for establishing unacceptable, irregular or inadmissible bids</td>
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<tr>
<td></td>
<td></td>
<td>Award criteria applied incorrectly</td>
</tr>
<tr>
<td>Post-competition</td>
<td>Post award period</td>
<td>Multiple complaints received</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approach to resolving complaints is erratic</td>
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<tr>
<td></td>
<td></td>
<td>Contract suspension by NCSC decision court challenge</td>
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<tr>
<td></td>
<td></td>
<td>Poor quality works/services delivered</td>
</tr>
</tbody>
</table>

5. Imprecise technical specifications, stemming from:
   • an earlier procurement procedure may have been carried out with vague specifications and generic contract clauses, or
   • an independent specialist was not engaged to verify specifications.

In practice, many contracting authorities neglect to award another contract to verify the design; instead they ask the contractor to supply verification.
6. **Miscalculated estimated contract value**, stemming from:
   - lack of project planning knowledge;
   - prior procurement procedure may have been carried out with vague requirements and generic contract clauses, and consultant selection was based on lowest price criterion.

7. **Disproportionate qualification requirements.** Invoking the proportionality principle, the PPL limits qualification requirements in tender documentation. Legislators aim to curtail contracting authorities’ ability to restrict competition through qualification criteria disproportionate to the contract scope; however, these limits could result in selecting a low-bid operator with little or no experience in implementing a public procurement contract.

8. **Irrelevant or inappropriate award criteria**, leading to:
   - imprecise technical specifications;
   - insufficient skill to differentiate between minimal technical requirements and project-specific desired requirements;
   - lack of criteria guidelines for establishing awards; and
   - perceived lack of independence from government decision-makers.

9. **Poor quality bidding documents**, stemming from lack of standard national-level bidding procedures and tender documents for procurement of works, goods, and consultant services that specify procurement process, and include standard bid content, and standard contracts.

10. **Post-publication revisions to main bidding documents**, stemming from:
    - responding to requests for clarifications;
    - responding to perception of potential for complaints; and
    - attempt to compensate for low-quality bidding documents.

11. **Under-qualified evaluating committee appointees, due to:**
    - Many appointees lack knowledge of public procurement rules or contract scope; and
    - Procurement department staff turnover is high; staff with experience and training leave due to high-level risks that must be undertaken.

12. **Evaluation period problems**, resulting from:
    - Issues described in Table 1, and exacerbated by the brief PPL evaluation period; and
    - The fact that a contract may be awarded on the basis of a price that falls short of full contract obligations; the contractor may assume this risk knowing that technical specifications are not comprehensive, thereby creating a loophole for price increases. This practice manifests itself in both typical and electronic auction award processes, and results from imprecise technical specifications and superficial contract valuations.

13. **Post-award problems.** Dissatisfied bidders formulate a complaint in an attempt to elicit an affirmative NCSC decision. This may occur if:
    - a bidder challenges the procurement process. This occurs if the bidder strongly believes that it was entitled to win the contract and is therefore willing to risk losing the guarantee amount if the challenge is not successful; and
    - an unsuccessful bidder wants to negotiate with the winning bidder for a subcontract, and is therefore willing to lose the guarantee amount by withdrawing the complaint before the time has elapsed for NCSC decision.
• Other post award problems relate to the quality of works and associated services. During any contract execution period a natural conflict arises between the contractor or consultant and the contracting authority regarding any missing technical specifications or contractual clauses. The contracting authority would like to avoid further expenditures and the contractor or the consultant would like to be compensated for the extra work. This situation is avoided if technical specifications and contractual clauses are comprehensive, including those governing the relations between the consultant and the contracting authority.

• Most of the issues discussed above occur in any procurement process developed by a contracting authority. However, if a ministry is running a national-level development program with thousands of beneficiaries, the situation is even more complex. Adding bureaucratic levels to the procurement process without specifying responsibilities and all activities and processes can enlarge existing problems because the blame for failures is passed along the hierarchy of project staff.

• For example, if a ministry assumes sole responsibility for procurement procedures, beneficiaries may argue that wrong contractor was chosen and the conflict between beneficiaries and contractor could escalate. A similar conflict occurs if the ministry assumes payment responsibility because the ministry’s tendency to exercise extreme caution before making a payment could result in delayed payments or worse.

C. Recommendations for improving procurement quality

14. To improve and accelerate the procurement process, the following set of actions and a deadline for completion are recommended below.

15. In order to improve and accelerate the procurement process at MoEF (which has to deal with a very large number of projects), a number of short and medium term actions have been identified. These actions take in consideration the specific findings of the review conducted at the MA-SOP Environment and ANAR since the two institutions undertake similar procurement activities, and therefore the recommendations are applicable to both.

Over the short-term (6 months or less):

a) Establish a framework of action for each development program defining the information flow, activities and responsibilities, as an internal procedure, starting with project approval, through procurement strategy and procedures to contract implementation.

b) Elaborate guidelines on:

   II. Preparation and verification of technical specifications;
   III. Selection of applicable the procurement procedure;
   IV. Choice of the appropriate type of contact applicable; and
   V. Definition of the qualification criteria and award criteria applicable for different types of projects.

c) Elaborate standard tender documents for each procurement procedure including standard contracts for works, goods and consultant services (intellectual services for design, technical assistance, etc.).

Over the medium-term (6-18 months):

d) Organize an advisory service team at MoEF level (of help desk type) including staff with solid knowledge on procurement procedures and contracts for each type of task to be procured; the team will provide support to beneficiaries of MoEF financing in implementation of standardized procedures and contracts. Such arrangement already works for ANAR where the head office
provides advice to river basin directorates. Although needed for beneficiaries of MoEF financing, it would be difficult to implement for SOP Environment as the EC expressed its reluctance to accept it, and the DG Procurement of MoEF has almost no experience in procurement of works or consultant services. Thus, this service may need to be staffed with personnel attracted from outside.

e) Provide support to beneficiaries on procurement capacity building through workshops and training programs organized and delivered by the advisory service team to beneficiary staff in charge with procurement and contract management (technical & procurement staff). The same comment and concerns as above.

f) Strengthen the quality control of designs and technical specifications at ministry, ANAR, and beneficiary level to avoid further deficiencies in contracts implementation, through short training courses for beneficiaries with low experience or technical capacity.

g) Strengthen the capacity of evaluation committees to conduct quality and timely evaluation of bids/tenders through short training courses held before bids submission date and concluded with certification of knowledge on evaluation of bids.

h) Elaborate check lists of activities to be completed during implementation of any contract to accelerate reimbursement and, implicitly, flow of funds.
### D. Annexes

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<thead>
<tr>
<th></th>
<th>List of Annexes</th>
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</thead>
<tbody>
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<td>Legal Framework for Public Procurement</td>
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<td>E2</td>
<td>Stakeholders in Public Procurement</td>
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<td>E5</td>
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<td>E7</td>
<td>Special Modalities for Awarding/Concluding Contract/Framework Agreements</td>
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<tr>
<td>E8</td>
<td>Estimated Duration of Procurement Procedures in Calendar Days</td>
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<td>E9</td>
<td>Public Procurement Contract Types</td>
</tr>
<tr>
<td>E10</td>
<td>Gantt Charts on Procurement Procedures</td>
</tr>
</tbody>
</table>
Annex E1: Legal Framework for Public Procurement

- Government Emergency Ordinance No. 34/2006 regarding the awarding of the public procurement contracts, public works concession contracts and services concession contracts, amended and completed.

- Government Emergency Ordinance no. 30/2006 regarding verification functions of procedural aspects concerning public procurement contracts.

- Government Decision No. 925/2009 for approval of rules of implementation of provisions regarding awards of public procurement contracts.

- Government Emergency Ordinance No 34/2006 regarding award of public procurement contracts, public works concession contracts and services concession contracts, amended and completed.

- Government Decision no. 1660/2006 for approving the application norms of the provisions referring to the award of procurement contracts by electronic means from the Government's Emergency Ordinance no. 34/2006.

- Government Decision no. 71/2007 for approving the application norms of the provisions referring to the award of the public works concession contracts and of services concession contracts from the Governments' Emergency Ordinance no. 34/2006.

## Annex E2: Stakeholders in Public Procurement

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Roles</th>
<th>Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Authority for Regulating and Monitoring Public Procurement *(NARMP)*</td>
<td>Regulatory body</td>
<td>Develops policy for public procurement</td>
</tr>
<tr>
<td></td>
<td>Electronic surveyor</td>
<td>Monitors publication of all contract notices</td>
</tr>
<tr>
<td></td>
<td>Ex-post control</td>
<td>Controls awarding procedures – Ex-post function *</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Empowered to nullify contracts in breach of PPL</td>
</tr>
<tr>
<td>Ministry of Public Finances – Central Unit for Verification Public Procurement *(CUVPP)*</td>
<td>Ex-ante control</td>
<td>Verifies procedures related to public procurement contract awards processes.</td>
</tr>
<tr>
<td>National Council for Solving Complains *(NCSC)*</td>
<td>Remedies body</td>
<td>Conducts administrative-jurisdictional activity by resolving complaints raised during procurement procedures, prior to contract signing.</td>
</tr>
<tr>
<td>Court of Audit *(CofA)*</td>
<td>Ex-post control</td>
<td>Exercises control and external audit for structural funds.</td>
</tr>
<tr>
<td>National Centre for Management of Information Society – operator of the Electronic System for public procurement *(ESPP)*</td>
<td>Operator of electronic system</td>
<td>Provides technical facilities for contracting authorities for implementing award procedures, in part or in whole through e-procurement system: Electronic System for Public Procurement</td>
</tr>
</tbody>
</table>
## Annex E3: Contracting Authorities

<table>
<thead>
<tr>
<th>Sector</th>
<th>Contracting Authorities</th>
<th>Categories of contracting authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classical or Public</td>
<td>State entities</td>
<td>Public institutions/authority at central level</td>
</tr>
<tr>
<td>Classical or Public</td>
<td></td>
<td>Public institutions at local level</td>
</tr>
<tr>
<td>Classical or Public</td>
<td></td>
<td>Public institutions/authorities at regional level</td>
</tr>
<tr>
<td>Classical or Public</td>
<td>Entities subject to public governance, specifically established to deliver public goods, without either industrial or commercial interests</td>
<td>Bodies financed primarily by public institutions or by other body under public governance</td>
</tr>
<tr>
<td>Classical or Public</td>
<td></td>
<td>Bodies subordinated or under supervision of a public authority or other body under public governance</td>
</tr>
<tr>
<td>Classical or Public</td>
<td></td>
<td>Bodies in which more than half of the administrative/managerial board or supervisory body members are appointed by a public authority or other body under public governance</td>
</tr>
<tr>
<td>Classical or Public</td>
<td>association formed by one or more contracting authorities- state organisms, or other body under public governance</td>
<td></td>
</tr>
<tr>
<td>Utility</td>
<td>Public undertaking that carries out one or more so-called “relevant” activities</td>
<td>Relevant activity in public utilities: water, energy, transport services, postal services, prospecting or extracting crude oil, natural gas, coal or other solid fuels, and providing transport by air, sea or fluvial with airports, maritime/fluvial ports or with other transport network terminals</td>
</tr>
<tr>
<td>Utility</td>
<td>Other subjects of law that conduct one or more of the so-called “relevant” activities based on social or exclusive right</td>
<td></td>
</tr>
</tbody>
</table>
Annex E4: Romanian public procurement system
Table 1 – Thresholds below EU

<table>
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<tr>
<th>Scope of contract</th>
<th>National level =invitations/notices published only in ESPP</th>
<th>Utility sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Classical sector</td>
<td></td>
</tr>
<tr>
<td>Supply (goods)</td>
<td>€15,000 &lt; EVC&lt;€125,000</td>
<td>Request for tenders</td>
</tr>
<tr>
<td></td>
<td>Request for tenders</td>
<td>€125,000&lt;EVC&lt;€387,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“Short competitive procedures”</td>
</tr>
<tr>
<td>Services</td>
<td>€15,000 &lt; EVC&lt;€125,000</td>
<td>Request for tenders</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€15,000&lt; VC&lt;€125,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Short competitive procedures</td>
</tr>
<tr>
<td>Works</td>
<td>€15,000 &lt; EVC&lt;€4,845,000</td>
<td>Request for tenders</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€15,000&lt; EVC&lt;€4,845,000</td>
</tr>
<tr>
<td>Scope of contract</td>
<td>European level</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Classical sector</td>
<td>Utility sector</td>
</tr>
<tr>
<td>Supply (goods)</td>
<td>EVC&gt;€125,000</td>
<td>EVC&gt;€387,000</td>
</tr>
<tr>
<td>Services</td>
<td>EVC&gt;€125,000</td>
<td>EVC&gt;€387,000</td>
</tr>
<tr>
<td>Works</td>
<td></td>
<td>EVC&gt;€4,845,000</td>
</tr>
</tbody>
</table>
## Annex E6: Romanian Public Procurement Procedures

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Features</th>
</tr>
</thead>
</table>
| **Open**                       | - Single step qualification and tender evaluation.  
- Electronic auction is possible.  
- Can be applied entirely electronically.  
- Contract could be awarded if one economic operator submits an admissible tender.  
- For utility sector, time limit can be shortened for tender elaboration if estimated value is €125,000 to €387,000.  
- Typical for awarding a public procurement contract (along with ‘restricted’).  
- Contract is awarded or framework agreement is concluded by applying this procedure. |
| **Restricted**                 | - Two steps—qualification and selection of applicants; and evaluation of tenders.  
- In the first step the minimum number of selected applicants must at least five, but it is possible to go ahead to the second step with one applicant selected.  
- Contract could be awarded if one economic operator submits an admissible tender.  
- Procedure can be accelerated justified by shortening the time limits for receiving the applications and tenders.  
- For utility sector, the time limit for tender elaboration can be shortened if the estimated value is €125,000 and €387,000.  
- Can conclude with electronic auction.  
- Can be applied entirely electronically.  
- Typical for awarding a public procurement contract (along with ‘open’).  
- Contract is awarded or framework agreement is concluded by applying this procedure. |
| **Competitive dialogue**       | - Three steps: (i) qualification and applicant selection; (ii) dialogue to identify one or more suitable solutions; and (iii) tender evaluation.  
- Applicable if two conditions are fulfilled: (i) the contract is complex; and (ii) applying the ‘open’ or ‘restricted’ procedures would not allow awarding of the public procurement contract.  
- A contract is designated ‘complex’ when the contracting authority is unable to define technical specifications objectively; technical means that can satisfy the needs and exigencies and/or to establish the legal and/or financial framework for project implementation.  
- The only award criterion is the most advantageous tender  
- It is not possible to conclude the third step with electronic auction.  
- It is not possible to be entirely applied electronically.  
- As result of applying this procedure a complex contract awarded. |
| **Negotiation with prior publication of a contract notice** | - This procedure is applied by a classical sector contracting authority in circumstances provided by PPL and does not depend on estimated value  
- In the first step the minimum number of preselected applicants must be at least three, but it is possible to go ahead to the second step with one applicant preselected.  
- Can take place in successive stages to reduce the number of proposed tenders to be negotiated.  
- PPL provides for concluding the third step with electronic auction.  
- For utility sector, time limit for tender elaboration can be shortened if the estimated value is €125,000 to €387,000.  
- It is not possible to be entirely applied electronically.  
- The procedure could be accelerated justified – shortening the time limits for receiving the applications and tenders.  
- Only for utility sector, this procedure together with open and restricted procedure represents the rule for awarding a public procurement contract.  
- As result of applying this procedure a contract is awarded or a framework agreement concluded. |
| **Negotiation without**        | - Contracting authority carries out consultations with economic operators and negotiates contractual clauses, including prices, with one or more operators.  
- Can be applied only in the circumstances provided by PPL. |
<table>
<thead>
<tr>
<th>Procedure</th>
<th>Features</th>
</tr>
</thead>
</table>
| publication of a contract     | ▪ It is not possible to be entirely applied electronically.  
▪ It is not possible to conclude the third step with an electronic auction.                                                                                                                                  |
| notice                        |                                                                                                                                                                                                         |
| Request for tenders           | ▪ One step for qualification and tender evaluation.  
▪ Similar to open procedure, differing only in the time limits for tender submission.  
▪ It is possible to conclude with an electronic auction  
▪ It is possible to be entirely applied electronically.  
▪ Contract could be awarded if one economic operator submits an admissible tender.  
▪ Used only to award procurement contract below thresholds provided by art.124 of PPL.  
▪ As result of applying this procedure a contract is awarded or a framework agreement concluded.                                                                                   |
| Design contest                | ▪ A special procedure by which it purchases, particularly in the field of territory or town planning, architecture, engineering or data processing, a plan or project selected by a jury through a competition, with or without prize awards.  
▪ May be applied with or without a selection stage.                                                                                                                                          |
### Annex E7: Special Modalities for Awarding/Concluding Contract/Framework Agreements

<table>
<thead>
<tr>
<th>Modalities</th>
<th>Features</th>
</tr>
</thead>
</table>
| Framework agreement         | ▪ Provides a base to award subsequent contracts with similar scope/objects  
                              ▪ Typically should not exceed four years duration; exceptional cases must be duly justified.  
                              ▪ During execution signatory parties should remain the same.  
                              ▪ May be concluded with either one, or at least three economic operators.  
                              ▪ Upon conclusion with more than one economic operator, subsequent contracts could be awarded either without reopening competition, or by reopening competition among signatory operators.  
                              ▪ Typically, a framework agreement is concluded by applying open or restricted procedures. |
| Dynamic purchasing system   | ▪ Can be applied using only ESPP  
                              ▪ Can be used for the purchase of commonly used products only, with characteristics generally available on the market that can satisfy contracting authority needs.  
                              ▪ Should not exceed four years duration.  
                              ▪ Open only during the period that it is launched, which means that any economic operators can ask to be accepted. |
| Electronic auction          | ▪ Used to conclude a common procedure.  
                              ▪ When a contracting authority decides to conclude a procedure by an electronic auction, time limits for evaluation provided by the PPL include the auction duration. |
### Annex E8: Estimated Duration of Procurement Procedures Calculated in Calendar Days

<table>
<thead>
<tr>
<th>Awarding Procedure</th>
<th>Estimated calendar days</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Request for tenders for works and services contracts</strong></td>
<td></td>
</tr>
<tr>
<td>Time limit for tenders = 10 days</td>
<td></td>
</tr>
<tr>
<td>NARMPP’ verification = 2 - 5 days</td>
<td></td>
</tr>
<tr>
<td>Time for evaluation = 20 – 40 days</td>
<td></td>
</tr>
<tr>
<td>Stand still period = 6 days</td>
<td></td>
</tr>
<tr>
<td><strong>Total Duration: 38 - 61 days</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Request for tenders for Supply contracts</strong></td>
<td></td>
</tr>
<tr>
<td>Time limit for tenders = 6 days</td>
<td></td>
</tr>
<tr>
<td>NARMPP’ verification = 2 - 5 days</td>
<td></td>
</tr>
<tr>
<td>Time for evaluation = 20 – 40 days</td>
<td></td>
</tr>
<tr>
<td>Standstill period = 6 days</td>
<td></td>
</tr>
<tr>
<td><strong>Total Duration: 34 - 57 days</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Open procedure</strong></td>
<td></td>
</tr>
<tr>
<td>Time limit for tenders = 40 days</td>
<td></td>
</tr>
<tr>
<td>NARMPP’ verification = 3 - 5 days</td>
<td></td>
</tr>
<tr>
<td>Time for evaluation = 20 – 40 days</td>
<td></td>
</tr>
<tr>
<td>Standstill period = 11 days</td>
<td></td>
</tr>
<tr>
<td><strong>Total Duration: 74 - 96 days</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Open procedure</strong> with prior notice published with 52 days before the contract notice</td>
<td></td>
</tr>
<tr>
<td>Time limit for tenders = 29 days</td>
<td></td>
</tr>
<tr>
<td>NARMPP’ verification = 3 - 5 days</td>
<td></td>
</tr>
<tr>
<td>Time for evaluation = 20 – 40 days</td>
<td></td>
</tr>
<tr>
<td>Standstill period = 11 days</td>
<td></td>
</tr>
<tr>
<td><strong>Total Duration: 63(115)–85(137) days</strong></td>
<td></td>
</tr>
<tr>
<td><strong>“Short” Open procedure - for utility sector</strong></td>
<td></td>
</tr>
<tr>
<td>Time limit for tenders = 20 days</td>
<td></td>
</tr>
<tr>
<td>NARMPP’ verification = 3 - 5 days</td>
<td></td>
</tr>
<tr>
<td>Time for evaluation = 20 – 40 days</td>
<td></td>
</tr>
<tr>
<td>Standstill period = 6 days</td>
<td></td>
</tr>
<tr>
<td><strong>Total Duration: 49 - 71 days</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Restricted procedure</strong></td>
<td></td>
</tr>
<tr>
<td>Time limit for applications = 30 days</td>
<td></td>
</tr>
<tr>
<td>NARMPP’ verification = 3 - 5 days</td>
<td></td>
</tr>
<tr>
<td>Awarding Procedure</td>
<td>Estimated calendar days</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Time for selection = 20-40 days</td>
</tr>
<tr>
<td></td>
<td>Time limit for tenders=35 days</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation =20 – 40 days</td>
</tr>
<tr>
<td></td>
<td>Standstill period = 11days</td>
</tr>
<tr>
<td><strong>Total Duration: 119 - 156 days</strong></td>
<td></td>
</tr>
<tr>
<td>Accelerated restricted procedure</td>
<td>Time limit for applications = 10 days</td>
</tr>
<tr>
<td></td>
<td>NARMPP’ verification= 3 - 5 days</td>
</tr>
<tr>
<td></td>
<td>Time for selection = 20-40 days</td>
</tr>
<tr>
<td></td>
<td>Time limit for tenders=10 days</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation =20 – 40 days</td>
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<td></td>
<td>Standstill period = 11days</td>
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<tr>
<td><strong>Total Duration: 74 - 116 days</strong></td>
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</tr>
<tr>
<td>Restricted procedure with prior notice</td>
<td>Time limit for applications =30 days</td>
</tr>
<tr>
<td>published with 52 days before the contract</td>
<td>NARMPP’ verification= 3 - 5 days</td>
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<tr>
<td>notice</td>
<td>Time for selection = 20-40 days</td>
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<td>Time limit for tenders=22 days</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation =20 – 40 days</td>
</tr>
<tr>
<td></td>
<td>Standstill period = 11days</td>
</tr>
<tr>
<td><strong>Total Duration: 106(158)–148(200) days</strong></td>
<td></td>
</tr>
<tr>
<td>“Simplified” restricted procedure -</td>
<td>Time limit for applications =10 days</td>
</tr>
<tr>
<td>for utility sector</td>
<td>NARMPP’ verification= 3 - 5 days</td>
</tr>
<tr>
<td></td>
<td>Time limit for tenders=10 days</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation =20 – 40 days</td>
</tr>
<tr>
<td></td>
<td>Standstill period = 6 days</td>
</tr>
<tr>
<td><strong>Total Duration: 49 - 71 days</strong></td>
<td></td>
</tr>
<tr>
<td>Negotiated procedure with contract notice</td>
<td>Time limit for applications =10- 30 days</td>
</tr>
<tr>
<td></td>
<td>NARMPP’ verification= 3 - 5 days</td>
</tr>
<tr>
<td></td>
<td>Time for selection = 20-40 days</td>
</tr>
<tr>
<td>Awarding Procedure</td>
<td>Estimated calendar days</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Time for negotiations the tenders = 20-40</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation = 20–40 days</td>
</tr>
<tr>
<td></td>
<td>Standstill period = 6-11 days</td>
</tr>
<tr>
<td></td>
<td><strong>Total Duration: 76 - 166 days</strong></td>
</tr>
<tr>
<td>Accelerated Negotiated procedure with contract notice</td>
<td>Time limit for applications = 10 days</td>
</tr>
<tr>
<td></td>
<td>NARMPP’ verification= 3 - 5 days</td>
</tr>
<tr>
<td></td>
<td>Time for selection = 20-40 days</td>
</tr>
<tr>
<td></td>
<td>Time for negotiations the tenders = 20-40</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation = 20–40 days</td>
</tr>
<tr>
<td></td>
<td>Standstill period = 6-11 days</td>
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<tr>
<td></td>
<td><strong>Total Duration: 76 - 146 days</strong></td>
</tr>
<tr>
<td>“Simplified” Negotiated procedure with contract notice - for</td>
<td>Time limit for applications = 10 days</td>
</tr>
<tr>
<td>utility sector</td>
<td>NARMPP’ verification= 3 - 5 days</td>
</tr>
<tr>
<td></td>
<td>Time for selection = 20-40 days</td>
</tr>
<tr>
<td></td>
<td>Time for negotiations the tenders = 20-40</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation = 20–40 days</td>
</tr>
<tr>
<td></td>
<td>Standstill period = 6-11 days</td>
</tr>
<tr>
<td></td>
<td><strong>Total Duration: 76 - 146 days</strong></td>
</tr>
<tr>
<td>Competitive dialog</td>
<td>Time limit for applications = 20 - 30 days</td>
</tr>
<tr>
<td></td>
<td>NARMPP’ verification= 3 - 5 days</td>
</tr>
<tr>
<td></td>
<td>Time for selection = 20-40 days</td>
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<tr>
<td></td>
<td>Time for dialog with candidates = 20-40</td>
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<td>Time for evaluation = 20–40 days</td>
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<td>Standstill period = 6 -11 days</td>
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<td><strong>Total Duration: 89 - 166 days</strong></td>
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<tr>
<td>“Simplified” Competitive dialog</td>
<td>Time limit for applications = 20 - 30 days</td>
</tr>
<tr>
<td></td>
<td>NARMPP’ verification= 3 - 5 days</td>
</tr>
<tr>
<td></td>
<td>Time for selection = 20-40 days</td>
</tr>
<tr>
<td>Awarding Procedure</td>
<td>Estimated calendar days</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Time for dialog with candidates = 20–40</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation = 20 – 40 days</td>
</tr>
<tr>
<td></td>
<td>Standstill period = 6 – 11 days</td>
</tr>
<tr>
<td></td>
<td><strong>Total Duration: 89 - 166 days</strong></td>
</tr>
<tr>
<td><strong>Design contest</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time limit for submitting the designs = 52 days</td>
</tr>
<tr>
<td></td>
<td>NARMPP’ verification= 3 - 5 days</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation = 40 – 60 days</td>
</tr>
<tr>
<td></td>
<td><strong>Total Duration: 95 - 117 days</strong></td>
</tr>
<tr>
<td><strong>Design contest with pre-selection</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time limit for submitting the designs = 52 days</td>
</tr>
<tr>
<td></td>
<td>NARMPP’ verification= 3 - 5 days</td>
</tr>
<tr>
<td></td>
<td>Time for pre- selection = 20-40 days</td>
</tr>
<tr>
<td></td>
<td>Time for evaluation =40 – 60 days</td>
</tr>
<tr>
<td></td>
<td><strong>Total Duration: 115- 157 days</strong></td>
</tr>
</tbody>
</table>
### Annex E9: Types of public procurement contracts

<table>
<thead>
<tr>
<th>Type</th>
<th>Object by categories of contracts’ types</th>
</tr>
</thead>
</table>
| **Public works contract** | - execution of works related to one of the activities classified under NACE – F Construction, or the execution of a work  
- both design and execution of works related to an activity classified under NACE – F Construction, or design and execution of a work  
- the realization, by whatever means, of a work corresponding with the necessities and objectives of the contracting authority |
# Annex E10: Procurement process detailed on activities and sub activities

<table>
<thead>
<tr>
<th>Stage</th>
<th>Activity</th>
<th>Sub-activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before competition</td>
<td>Prepare technical papers</td>
<td>Technical specification approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Preparing justification for qualification requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Preparing justification for awarding criteria</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Preparing the Estimated Value Note</td>
</tr>
<tr>
<td></td>
<td>Prepare tender documentation</td>
<td>Nominated Contract Award Responsible (CAR)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Update public procurement plan (PPP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prepare bidding documents &amp; contract notice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Approve bidding documents &amp; contract notice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prepare the contract notice</td>
</tr>
<tr>
<td>The competition</td>
<td>Bid elaboration period</td>
<td>Dispatching the contract notice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Obtain approval of NARMPP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Publish contract notice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bid elaboration period</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Receive questions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prepare and publish answers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Receive any complaints (if applicable)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Adopt corrective measures (if applicable)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Publish corrective measures (if applicable)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appoint Evaluation Committee &amp; other experts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Receive bid package in established deadline</td>
</tr>
<tr>
<td></td>
<td>Opening bids</td>
<td>Open bids</td>
</tr>
<tr>
<td></td>
<td>Evaluation</td>
<td>Check compliance with formal requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Check qualification requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Request clarifications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Receive and evaluate answers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evaluate technical proposals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Request clarifications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Receive and evaluate answers</td>
</tr>
<tr>
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<td></td>
<td>Evaluate financial proposals</td>
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<td>Request clarifications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Receive and evaluate answers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Establish unacceptable, irregular and admissible bids</td>
</tr>
<tr>
<td>Stage</td>
<td>Activity</td>
<td>Sub-activities</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Post contract awarding activities</td>
<td></td>
<td>Analyze situation &amp; cancel the procedure (if applicable)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Apply awarding criterion to admissible bids</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prepare Award Report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Submit Award Report for approval</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Award Report approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Notification of procedure result</td>
</tr>
<tr>
<td></td>
<td>Standstill</td>
<td>Standstill period</td>
</tr>
<tr>
<td>Manage received complaints</td>
<td>Complaints received (if applicable)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prepare opinion on complaints</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prepare support document for opinion</td>
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</tr>
<tr>
<td></td>
<td>Solve complaints NCSC Decision</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Adopt corrective measures (if any)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contract signing</td>
<td>Prepare contract</td>
</tr>
<tr>
<td></td>
<td>Contract signing</td>
<td>Contract signing</td>
</tr>
<tr>
<td></td>
<td>Distribute contract to relevant parties</td>
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</tr>
<tr>
<td></td>
<td>Publish Award notices</td>
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</tr>
<tr>
<td></td>
<td>Closing the procedure</td>
<td>Complete procurement file</td>
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</tbody>
</table>
ANNEX F: LIST OF PERSONS MET DURING THE REVIEW

1. Lazlo Borbely, Minister, Ministry of Environment and Forestry
2. Marin Anton, State Secretary, Ministry of Environment and Forestry
3. Cristian Apostol, State Secretary, Ministry of Environment and Forestry
4. Lorant Para, Deputy General Secretary, Ministry of Environment and Forestry
5. Dan Carlan, General Director, Flood and Water Management Authority
6. Gheorghe Constantin, Director, Water Management Directorate
7. Marie Janne Adler, Flood Risk Management Directorate
8. Altan Abdulamit, Director, River Basin Planning Division Directorate
9. Ovidiu Gabor, General Deputy Director, National Administration “Apele Romane”
10. Doina Frant, General Director, General Directorate AM POS Environment
11. Catalin Ispas, Director, Control and Inspection Directorate
12. Mircea Stana, Supplemental Information System
13. Speranta Munteanu, General Director, Financial and Economic General Directorate
14. Lucian Pricina, General Director, Investment General Directorate
15. Mihaela Batranca, General Director, General Directorate for Public Procurement and Administration
16. Liliana Bara, Director, European Affairs Directorate
17. Zsolt Bogos, Director, National Agency for Environment Protection
18. Andrei Banu, Public Manager, Public Policies and Quality Management Unit
19. Ciprian Pahontu, National Forest Administration
20. Dumitru Voicu, Bucharest Forestry Department
21. Badea Marinescu, ITRSV Bucharest
22. Adrian Mandroiu, Director, AM POS Environment
23. Marinela Naumescu, Team Leader, DPE Programming and Evaluation Directorate
24. Maria-Elena Teodorescu, Team Leader, AM POS Environment, technical Assistance Directorate
25. Mihaela Gheorghiu, Team Leader, AM POS Environment, Directorate for Payments
26. Marie-Jean Oprisan, Team Leader, AM POS Environment, DCFTS
27. Gabriel Popa, GSG
28. Ion Stochita, Public Policy Unit
29. Adela Olah, Human Resources Directorate, MoEF
30. Mihaela Saceanu, Executive Director, Bucharest Regional EPA
31. Genica Badanoiu, deputy Executive Director, Bucharest Regional EPA
32. Valerian Solovastru, General Director, ROMSILVA
33. Ciprian Pahontu, Technical Director, ROMSILVA
34. Gheorghe Văcaru, Director General, Fisheries Operational Program, Ministry of Agriculture and Rural Development
35. Elena Leaotă, Director, Phytosanitary Agency, Ministry of Agriculture and Rural Development
36. Tatiana Preda, Deputy General Director, Agricultural Policies Directorate, Ministry of Agriculture and Rural Development
37. Vasile Alexa, Large Forest Owners Association, Forest Managers Association
38. Ion Stoicescu, President, CONSILVA
39. Danut Iacob, Forestry Department & Biodiversity Department, MOEF
40. Dan Achim, Forestry Department & Biodiversity Department, MOEF
41. Ion Sbera, Employers’Association of the Romanian Forestry (ASFOR)
42. Gheorghe Dumitriu Manager, National Forest Inventory, ICAS
43. Daniela Pineta, Pollution Control & Impact Assessment Directorate, MOEF
44. Alina Frim, Director, Dep. Biodiversity, MOEF
45. Florentina Manea, Dep. Climate Change, MOEF
46. Georgeta Terciu, Director, Dep. Communication, MOEF
47. Franciska Zsigmond, coordinator, Dep. External rel. & Protocol, MOEF
48. Stefan Ciobanu, Director, MOEF
49. Authority for Coordination of Structural Instruments (ACIS)
50. Ministry of Economy, Trade and Business Environment
51. Ministry of Transport and Infrastructure
52. Ministry of Regional Development and Tourism
53. Representatives of AMCHAM (American Chamber of Commerce In Romania)
54. JASPERs
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This report does not necessarily represent the position of the European Union and the Romanian Government.