

HUMAN SETTLEMENT COUNTRY PROFILE

ROMANIA

Decision-Making

Programmes and Projects

- A. Providing Adequate Shelter for All
- B. Improving Human Settlement Management
- C. Promoting Sustainable Land-Use Planning and Management
- D. Promoting the Integrated Provision of Environmental Infrastructure: water, sanitation, drainage and solid waste management
- E. Promoting Sustainable Energy and Transport Systems in Human Settlements
- F. Promoting Human Settlement Planning and Management in Disaster-Prone Areas
- G. Promoting Sustainable Construction Activities
- H. Promoting Human Resource Development and Capacity-Building for Human Settlement Development

Status

Capacity-Building, Education, Training and Awareness-Raising

Information

Research and Technologies

Financing

Cooperation

Decision-Making: The Ministry for Development and Prognosis (MDP) is the public administration institution responsible for all aspects of regional development programming and for coordinating regional policy implementation. In defining and implementing regional development policy in Romania, MDP collaborates with sectoral ministries, which have an important contribution to the strengthening of the social and economic cohesion and they include the ministries of: Labor and Social Solidarity; Education and Research; Tourism; Transports, Constructions and Tourism; and Waters and Environmental Protection, Ministry for SMEs (small and medium size enterprises) and Co-operatives.

In Romania, the institution responsible with the elaboration and coordination of the national strategy and policies in the field of territorial and human settlements spatial planning is the Ministry of Transports, Constructions and Tourism.

The national strategy is based on the principles of partnership, decentralization and transparency among the different sectors of economy, among central and local governments, different civil society institutions, professional associations and refers to the coordination of the spatial impact of the economic and social policies on medium and long term.

The territorial planning policy is based on the Guiding Principles for Sustainable Spatial Development of European Continent, adopted at the European Conference of the Ministers Responsible with Territorial Planning (CEMAT), Hanover 7-8 September 2000, aiming at:

- The promotion of spatial cohesion through balanced social-economic development and improvement of competitiveness;
- The promotion of development engendered by the urban functions and the improvement of the relationships between urban and rural settlements;
- The promotion of more balanced accessibility conditions;
- The facilitation of access to information and knowledge;
- The reducing of environment degradation;
- The valorization and protection of resources and natural heritage;
- The valorization of the cultural heritage as a development factor;
- The development of energy resources in security maintenance;
- The promotion of sustainable and quality tourism;
- The preventive limitation of the effects of the natural disasters.

The general objectives in the field of territorial planning are:

- The balanced and sustainable spatial development of the territory in view of the gradual connection to the European area;
- The rational land use and improvement of the quality of life;
- The improvement of the living conditions and housing construction;
- The programme for the endowment and rehabilitation of the utilities supplying networks in rural and urban localities.

The concept of spatial planning is materialized in studies, plans, programmes and projects that ensure the harmonization of the economic, social, ecological and cultural policies established at national and local level to ensure a balanced sustainable development of the different country regions, in view of the increasing the cohesion and the efficiency of the economic and social relations between them. The problems of the spatial development are approached at national, regional, county, town and communal level, creating the adequate framework for the rational and balanced development of the territory and the efficiency of the different investments locations.

The urban planning policy aims to stimulation of the complex evolution of the settlements, through the realization of the development strategies on short, medium and long term, aiming to the establishment of the spatial development directions, in accordance with their potential and their inhabitants' aspirations.

The main objectives of the urban planning activities are:

- The improvement of the living conditions through elimination of the dysfunctions, ensuring the access to infrastructure, public services and affordable housing for all inhabitants;
- The creation of the conditions to satisfy the special demands of children, elderly people and persons with disabilities;
- The efficient land use, in accordance with the adequate urban functions, the controlled extension of the built areas;
- The protection and valorization of the built cultural and natural heritage;
- The provision of the built environment quality, fit up and planted in all urban and rural settlements;
- Settlements protection against natural disasters.

Legal framework: The Law no.350/2001 for Urban and Territorial Planning establishes the goals, competences and measures required for this field, with the aim to ensure the fair and sustainable development of human settlements and the national territory, the environment protection and increasing the quality of human life.

The Law for the approval of the National Plan for Territorial Planning (NPTP) with its sections:

- Section I – Communication ways, Law no. 71/1996;
- Section II – Water, Law no.171/1997;
- Section III – Protected areas, Law no.5/2000, which provide the protection for natural built inheritance of national interest;
- Section IV – Settlements network, Law no.351/2001, presenting the hierarchical system of human settlements in Romania and the degree of endowments required for each rang of network, urban or rural; and
- Section V – Natural risk zones by landslides, inundations and earthquakes, Law no.575/2001.

The project for Section VI – Tourism had been completed, being now in process of promulgation.

The County Councils have elaborated Territorial Planning plans to ensure the sustainable development of the localities network in the county, proposals for infrastructure works (technical-public utility networks, roads), measures for environment protection and patrimony in the protected zones. 21 of the 41 counties have approved County Plans for Territorial Planning (CPTP); other 19 counties have completed documentations and plans finalized, sanctioned, and in process of approval. A study for the Territorial Planning of the 1st region northeast, for development, as a pilot project, is also being worked on. Presently, the National Centre for Human Settlements (Habitat) has been established according with the GD no.711/July 2001, being responsible with formulation, enforcement and implementation of the national strategy for habitation. MDP was nominated to be member of this new inter-ministerial board.

At local level, the provisions of the General Urban Plans (GUPs), as well as the Zonal Urban Plans reflect the principles of sustainable development. Presently 98.9% of the towns and cities have GUPs approved and 94.2% of the communes have GUPs approved; the other localities have GUPs in process of supervision and approval. Many of them have started the updating of the documentations.

Programmes and Projects:

A. Providing Adequate Shelter for All: The national policies in the field of housing have as general objectives:

- Sustainable urban development and environment protection;
- Cooperation among central and local authorities;
- Improvement of urban infrastructure (local roads, water supply, sanitation, waste management, energy supply);
- Improvement of the ratio between the market price of dwellings and average family income;
- Social protection for young families and persons with low income;
- Prevention of social segregation;
- Facilitation of investment process;
- Creation of over 120.000 jobs;
- National building materials industry development;
- Complying with EU standards regarding the quality of life, one of the conditions to join EU.

The sectoral objectives are:

- Construction of new residential areas
- Improvement of the existing housing stock
- Improvement of legal, regulating and institutional frameworks

The housing concept (habitat) is a complex concept, focused on house but also comprising the legal, economic, technical and cultural aspects. Romania made big efforts, considering the amount of public investments in housing, the adoption of strategies, policies and programmes concerning the categories of persons having no access to housing in the conditions of the free market.

Within the housing policy framework, the Ministry of Transports, Constructions and Tourism coordinates the following programmes:

National programmes regarding the improvement of the living conditions within the existing housing stock:

1. The National Programme for the reduction of the seismic risk to the multileveled housing buildings ranked – through technical expertise report – in the 1st seismic risk class, and presenting public danger

Legal framework: Governmental Ordinance no.20/1994 regarding measures for the reduction of the seismic risk to existent buildings; Law no.460/2001 regulating, especially for the multileveled housing buildings ranked in the 1st seismic risk class and presenting public danger:

- advancing the necessary funds from the budget of the Ministry of Transport, Construction and Tourism for the financing of the expenditures regarding the designing and execution of the consolidation works afferent to the homeowners – physical persons.

In applying the provision of the Law no.460/2001 the Governmental Decisions no.791/2001, no. 927/2002, and no.483/2003 had been promoted, for the approval of the annual Action Programmes for the designing and execution of consolidation works to multileveled housing buildings, ranked in the 1st seismic risk class.

Financial facilities accorded to the homeowners, physical persons, in multileveled housing buildings:

- amount ensured from the budget of the Ministry of Transport, Construction and Tourism for the design and execution of the consolidation works for increasing the safety degree to seismic actions of the existent buildings;

- refunding, at the completion of the consolidation works, of the amounts advanced from the state budget for the execution of the consolidation works, in equal monthly rates, at no interest, with a reimbursement period up to 25 years, amounts that will constitute into a special deposit in the local councils hands for the financing of the ongoing actions in the field;
- exemption from the payment of the monthly rates, for the periods in which they realize net average incomes per family member below the average net monthly salary per economy, the obligation concerning the restitution of the advanced amounts from the state budget diminishing with the amounts afferent for the periods of exemption from the payment of the monthly rates.

According with the above mentioned Ordinance, according the facilities is conditioned by:

- the decision of the homeowners' association, adopted in the conditions of the law, regarding the execution of the consolidation works (Art. 8, (1), a);
- the establishment of the legal state mortgage on the housing unit (Art. 8, (1), b);
- the housing building must be included in the annual action programmes approved through Governmental Decision, on the basis of the priorities established on technical criteria by the local councils, respective the General Council of Municipality of Bucharest, and supervised by the Technical Commission from the Ministry of Transport, construction and Tourism (Art. 6)

The homeowners also benefit of:

- financing from the budget of the Ministry of Transport, Construction and Tourism for the technical expertise of the buildings;
- tax exemption for the issue of the building license regarding the consolidation of the housing buildings

Programme development: Between 1994 and 1999 over 3.000 housing buildings had been expertised, with 135,000 apartments and 200,000 to 500.000 USD annually had been allocated progressively. Between 2001 and 2003 had been elaborated consolidation projects for 32 housing buildings with 1,650 apartments. The execution of consolidation works had started to 10 housing buildings in Bucharest and 4 housing buildings in other urban localities located in seismic regions (Braila, Neamt, Suceava, Mures), with a total of 545 apartments; up to now had been completed the consolidation of the structural system to three housing buildings in Bucharest and 1 housing building in Tg. Mures city. Annually, for project and execution an average of 1.500.000 €had been allocated from the state budget.

2. The Programme for the thermal rehabilitation of the multileveled housing buildings:

Legal-regulatory framework:

- The Governmental Ordinance no.29/2000 regarding the thermal rehabilitation of the existent building stock and the stimulation of the thermal energy saving, approved through the Law no.325/ 2002
- The Emergency Governmental Ordinance no.174/2002 regarding the establishment of the special measures for the thermal rehabilitation of multileveled housing buildings, approved through the Law no. 211/2003
- The Methodological Norms for applying the Emergency Governmental Ordinance no. 174/2002, approved through the Governmental Decision no.1070/2003
- The Normative-technical framework for technical regulations in the field of energetic expertise and audit of the existent buildings

Measures for thermal rehabilitation: The thermal rehabilitation of the multileveled housing buildings usually consists of the realization of measures composed of:

- Measures applicable to the building and installation elements afferent to the building, in common property:

- The thermal insulation of the external walls
- The thermal insulation of the floor over the last level
- The thermal insulation of the floor over the basement
- The transformation of the terrace into roof framework
- The metering of public thermal utilities at building/staircase level
- The thermal insulation of the plumbing in the basement
- The replacement of the fittings in the basement
- Measures applicable to the building and installation elements afferent to the building, in individual property:
 - The modernization of windows through the replacement with new, efficient windows
 - The rehabilitation of windows through adding of one transom with one/two window glasses
 - The installing of window shutters
 - The air-tighting of closing elements (doors, windows)
 - The metering of individual consumptions of hot water
 - The modernization of heating elements and of the fittings of the installation for the distribution of hot water
 - The installation of cost metering on heating elements in apartments

Financial mechanism: The necessary funds for financing the expenditures regarding the execution of intervention works for the thermal rehabilitation of the multileveled housing buildings are ensured from:

- Credits and/or allocations from the state budget that will cover 85% of the expenditures, of which 30% constitute subsidy from the state budget, in the limit of the annually approved funds with this destination in the budget of the Ministry of Transport, Construction and Tourism, and from the homeowners association's fund for repairs, that will cover 15% of the expenditures, for the housing units in private property of physical persons;
- Local budgets, for the housing units and spaces with other destination than housing, in the property of the territorial-administrative units or in state property and in the administration of the territorial administrative units;
- State budget, local budgets or own incomes, in the limit of the annually established funds with this destination for existent housing and spaces with other destination, in property or in administration of other public institutions, depending on the subordination of the respective institutions

Facilities granted to homeowners physical persons:

- Taxes exemption to the issue of the energetic certificate of the building and building licence for the thermal rehabilitation works;
- Tax exemption on the house they own for the reimbursement period of the credit obtained for thermal rehabilitation;
- The deduction from the global income of the expenditures for the rehabilitation of the domicile dwelling, intended to thermal energy loss reduction, aiming to the improvement of the thermal comfort, in the limit of 15,000,000 ROL annually (according with the provisions of the Law no.571/2003 regarding the Fiscal Code);
- Expertise, energetic audit and project for thermal rehabilitation financed from the allocations from the state budget;
- 30% subsidies from the state budget from the quantum of 85% afferent to the estimate of work.

Programme development: As the first stage of the National Programme for thermal rehabilitation of multileveled housing buildings realized on “type¹” projects between 1950 and 1985, pilot projects for thermal rehabilitation of multileveled housing buildings had been initiated in view of substantiation of the technical-economic solutions and quantification of the efficiency of the application of the thermal rehabilitation measures:

- The pilot programme for the thermal rehabilitation of multileveled social housing buildings in the property of the administrative-territorial units, approved through the Governmental Decision no.964/2003.

The programme comprises 12 locations in the four climatic regions of Romania (Buhusi, Botosani, Braila, Sf. Gheorghe, Târgu Jiu, Iasi, Tg.Mures, Câmpulung Moldovenesc, Zimnicea, Bârlad, Baia Mare, Slatina).

The financing is realized as follows: 58,319,305,400 ROL from the Swiss Counterpart Fund, constituted on the basis of the Agreement between the Romanian Government and the Government of the Swiss Confederation regarding the granting of financial assistance, and, in completion, 20,400,000,000 ROL from the incomes of the Ministry of Transport, Construction and Tourism got on the basis of the art.40 of the Law no.10/1995 regarding the quality in construction, with later modifications.

There had been finalized, checked and signed for the thermal rehabilitation works at two buildings, the others are under work, the whole programme having to be completed before the 30th of June, 2004.

- The pilot programme approved through the Order of the Minister of Transports, Construction and Tourism no. 498/2003, comprising two locations in the city of Piatra Neamt.

The programme is completely financed from the incomes of the Ministry of Transport, Construction and Tourism got on the basis of the art.40 of the Law no.10/1995 regarding the quality in construction, with later modifications. Both the pilot programmes are implemented through the National Investments Company, the implementing agency. The measures for the thermal rehabilitation applied within the pilot programmes will be generalized in the framework of the annual programmes of thermal rehabilitation, approved through Governmental Decisions, according with the provisions of the Emergency Ordinance no.174/2002 regarding the establishment of the special measures for the thermal rehabilitation of multileveled housing buildings, approved through the Law no.211/2003.

B. The programmes for the construction of new residential areas:

1. The Programme for the construction of rental housing for young people (implementation agency: the Romanian National Housing Agency)

Legal framework: The Law no. 152/1998 regarding the establishment of the Romanian National Housing Agency with its later modifications and completions, The Methodological norms for the application of the provisions of Law no. 152/1998 regarding the establishment of the Romanian National Housing Agency, The Governmental Emergency Ordinance no. 148/1999 regarding the regulation of the legal status of lands for the housing construction through the Romanian National Housing Agency, with its later modifications and completions.

Purpose: Rental residential construction for young people whose financial means does not enable them to acquire their own home or rent one at the current market prices.

- Reducing the migration of young specialists to important cities by creating adequate housing conditions.

¹ Similar projects

The financial mechanism: This programme is financed from the sources of the state budget and local budgets, from internal and external credits (Council of Europe Development Bank, Deutsch Bank AG London).

Project development characteristics:

- Low-rise residential buildings, maximum height: 3 levels + attic, grouped within the building site boundaries, built on sites which are already provided or shall be provided with the necessary infrastructure (public utilities);
- Most of the residential units shall be one- or two-room units and the provided equipment and facilities shall meet the specific minimal requirements established by law;
- Modern, quick construction solutions are adopted, the local building materials being preponderantly used.

Programme development:

- The Romanian National Housing Agency annually elaborates the investments programme on the basis of the approved investments projects within the budget of the Ministry of Transports, Constructions and Tourism, in collaboration with the interested bodies of the central and local public administration, on lands that will be fitted according with the legal provisions;
- The housing constructions will be realized on lands in public property or in private property of the administrative territorial units, transferred in use to the Romanian National Housing Agency during the construction;
- After the completion of the dwellings, they will be transferred in public property of the administrative territorial units and in the administration of the local councils, which will distribute them to the applicants, in rent, on the basis of the criteria established by the Ministry of Transports, Constructions and Tourism in collaboration with the authorities of the central and /or local public administration and approved through Governmental Decision.

The procedure to obtain a rental housing unit: STAGE 1. Registration of the application at the City Hall/local council, with justification acts. STAGE 2. Allocation and signing of the rental contract on the basis of repartition issued by the local council.

2. The programme for the construction of social housing: Legal framework: The Housing Law no. 114/1996, republished, with its later modifications and completions; The Methodological Norms for the application of the provisions of the Housing Law no. 114/1996, republished, with its later modifications and completions; The Governmental Decision no. 510/2003 regarding the approval of the norms for the establishment of the quota from the state budget that might be accorded to the categories of persons stipulated at the article 7 of the Housing Law no.114/1996;

Purpose: The construction of social housing for the categories of persons whose income level does not allow access to housing in private property or rent within the conditions of the market.

The financial mechanism: This programme is financed from the sources of the local budget and of the state budget – in addition.

Programme development:

- the allocation of the dwellings is decided by the local councils, considering the proposals of the social commissions, that analyse the housing applications at local level;

- have access to social housing the categories of persons whose average monthly income per family member is under the minimum income limit for whom are ensured subsidies, these income limits being annually established through Governmental Decision;
- the social housing belong to the public domain of the administrative territorial units and are not for sale;
- the necessity housing will be temporary rented to persons and families whose dwellings became improper and only until the removal of the effects that made unusable their dwellings; the allocation of these dwellings will not be made on the income basis;
- the necessity housing are financed and realized in the conditions established for social housing, the difference between these types of dwellings staying in the post-utilization conditions;
- the social and necessity housing may be realized by new construction or the rehabilitation of existing buildings.

The procedure to obtain a social housing unit: STAGE 1. Registration of the application at the City Hall/local council, with justification acts. STAGE 2. Allocation and signing of the rental contract on the basis of repartition issued by the local council.

3. The programme for the construction of housing in private ownership through the completion of blocks-of-flats structures in different stages of execution: Legal framework: Governmental Ordinance no.19/1994 regarding the stimulation of investments for the realization of public works and housing constructions, with later modifications and completions, Methodological Norms for the application of the provisions of the Governmental Ordinance no. 19/1994 with later modifications and completions.

Purpose: The completion of the housing constructions in different stages of execution, began with state funds, for which there existed no more financial sources, irrespective of the social category of the initial allocation beneficiaries, initial allocations, pre-contracts or contracts for these dwellings.

The financial mechanism: This programme is financed from the sources of the housing beneficiaries as well as from the allocations from the local budgets, including transfers from the state budget meant for the investments in infrastructure, according with the annual budget law.

Project development characteristics:

- the completion of the constructions is realized according with the physical stages of execution, starting with the most advanced stages of execution;
- the allocation of dwellings is decided by the local authorities of public administration (local councils, mayoralities)
- for contracting the available dwellings, the applicants are selected by social commissions following the registration of applications and on the basis of criteria which take into consideration the housing and economic situation of the applicants, targeting the social disadvantaged categories:
 - young married couples, under 35 years old
 - disabled persons (I, II degree);
 - handicapped persons;
 - people hurt, families and parents of those deceased in the Revolution of December 1989;
 - individuals and families changing their domicile from towns to countryside and work in agriculture or forestry;
 - qualified staff in education and health living or moving in the countryside.

The procedure to obtain a housing unit in private ownership:

STAGE 1. Registration of the application at the City Hall/local council, with justification acts.

STAGE 2. Pre-contracting with the City Hall or the economic agents responsible with the investment development.

STAGE 3. Payment of the advance established as a percentage of the estimated value of the apartment in pre-contracting stage.

STAGE 4. Registration of the subsidy application at the local council, if there is the case.

STAGE 5. Signing the loan contract at the completion of the apartment.

STAGE 6. Taking over the apartment and signing the handing over-receiving report, after the reception of the completion of works.

4. The Programme for the construction of dwellings through mortgage credits (implementing agency - the Romanian National Housing Agency) – only for the cases in which the Romanian National Housing Agency took over structures and constructions began and unfinished, initially financed from state funds.

Legal framework: Law no. 152/1998 regarding the establishment of the Romanian National Housing Agency with later modifications and completions, Methodological Norms for the application of the Law no. 152/1998 regarding the establishment of the Romanian National Housing Agency with later modifications and completions, The Emergency Governmental Ordinance no 148/1999 regarding the regulation of the legal status of the lands meant for the housing construction through the Romanian National Housing Agency, with later modifications and completions, Law no. 190/1999 regarding the mortgage credit for real estate investments, with later modifications and completions, Regulations no. 2/2000 for the application of Law no. 190/1999 regarding the mortgage credit for real estate investments

Purpose:

- the development of the financial system through mortgage credit
- realization of residential areas at European standards level

The financial mechanism: Credits provided by private banks on the basis of a public-private partnership; the state budget ensures:

- subsidy 20% of the house value, only for the first house built with mortgage credit, for the persons or families not benefiting of support from the state budget such as subsidies for another house or,
- subsidy up to 4 percentage points of the interest rate paid by the beneficiaries of the mortgage credits who buy houses built through the programmes of the Romanian National Housing Agency, within the limits of the amounts established with this destination through the annual state budget law.

The categories of persons who benefit of subsidies, the according criteria and the subsidy quantum are established annually through Governmental Decision, within the limits of the maximum ceiling established by law.

Project development characteristics: the access to land for housing construction through selling-buying, concession or granting in use for the lifetime of the construction,

- granting facilities representing:
 - subsidy 20% of the house value, only for the first house built with mortgage credit, for the persons or families not benefiting of support from the state budget such as subsidies for another house or,
 - subsidy up to 4 percentage points of the interest rate paid by the beneficiaries of the mortgage credits who buy houses built through the programmes of the Romanian National Housing Agency, within the limits of the amounts established with this destination through the annual state budget law.

The procedure to obtain a mortgage credit:

STAGE 1. Filling and mailing a standard application form that might be bought from any post office. No direct application to the Romanian Housing Agency is allowed.

STAGE 2. Classification of the application on priority criteria that take into account the housing situation of the beneficiary, age, the quantum of the amount the beneficiary obliges himself to ensure from his own sources.

STAGE 3. The applicants must come to the headquarter/territorial offices after notification from the Romanian National Housing Agency via mail or media, to opt for house. The notification of the applicants is made by the Romanian National Housing Agency in accordance with the priority order established in the second stage, taking into account the location offers and the houses owned.

STAGE 4. The credit applicants who opted for the construction of one of the houses from the offer presented by the Romanian National Housing Agency are guided to one of the banks in public-private partnership to obtain the solvability certificate. Those who do not express their option at the Romanian National Housing Agency when notified will be transferred on the waiting list.

STAGE 5. The applicants whose financial capacity allows credit acquisition are invited to sign the contract:

- the contract of mandate, between the Romanian National Housing Agency and the credit applicant, to represent him during the contract for the construction of the house, financing and supervision of the works;
- the house construction contract;
- the crediting contract, between the bank and the credit beneficiary;
- the mortgage constitution, integrant part of the credit contract between the bank and the credit beneficiary.

B. Improving Human Settlement Management: The broad objective of the preliminary National Development Plan (NDP) for 2000-2002 is to reach the complex objective of the economic and social cohesion, achieve sustainable economic growth and create permanent jobs. To this end, priorities were established and on their basis, programmes and projects have been elaborated and in process of being implemented. National Agency for Employment has an ongoing Action Programme of increasing the employment rate in 2001. Its objective is to find jobs for 174,751 persons. In addition, MDP implements a set of measures aiming at harmonious regional economic growth, leading to an increasing local and regional welfare and indirectly combating poverty.

The goals of the Social Services investment scheme are to develop the capacity of the social assistance system in Romania to respond to the needs of the citizens by creating appropriate community social services for vulnerable groups in areas facing social-economic difficulties, including reorganization and rehabilitation of selected hostels for elderly persons and development of home care services for elderly people; to support social inclusion, poverty reduction and effective labor market integration of the vulnerable social groups in the 11 target areas undergoing severe industrial restructuring; to strengthen the capacities of regional and local administrations to build effective and innovative local partnerships in implementing social service initiatives. The National Agency for Employment finances the following activities out of the Budget of the Unemployment Fund: new job creation through SME's crediting; incentives for the employment of graduates; training/retraining; active measures for fighting unemployment; payment of unemployment benefits and of support allowance; and other activities intended to increase the employment rate.

The regional development component of PHARE 2000 programme, which is in progress, aims at bringing about an increased dynamics of the economy, stimulating competition, leading to permanent employment and diminishing the production disparities between regions. The investment projects are focused on the

priority sectors identified in NDP and in the regional development plans such as: developing the human resources in the context of the industrial restructuring; supporting SEMs in the field of production and services; and improving and developing the regional and local infrastructure. The eligible projects would create jobs and new economic activities in the area experiencing economic decline, introduce new modern technologies, carry out professional training of the labour force, and respond to the regional needs and use local resources.

Rural Development Programme, which is financed by World Bank, is a seven-year programme aiming to improve rural livelihoods and living standards in target areas by increasing the availability of infrastructure and related public investment goods, while enhancing the capacity of local administration and communities to initiate, plan and coordinate local investments. It will thus contribute to implementation of the recently revised Law on Local Public Administration, which establishes the autonomy of counties and local councils (the latter including towns and communes) and assigns ownership of and responsibility for local roads, and local services (including water) to the sub-national administration.

C. Promoting Sustainable Land-Use Planning and Management: Agriculture - The PHARE 98 projects related to local environmental action plans with demonstration projects and to environmental education (agricultural training in environment) are the most relevant to environmental friendly agriculture. Links to agricultural activities for small farms can be developed within the framework of those environmental projects.

An “agricultural pollution control project” supported by the GEF will affect 72,000 ha in the Calarasi County intends to: improve agricultural practices according with the suitability of the land (with demonstration projects) with environmental assessment; and prepare a land-use management plan (agricultural land nature reserve and forest) together with a guideline for the application of the Code of Good Agricultural Practices and a system for monitoring the quality of irrigation and drainage water.

In August 2001, the National Agency for the Mountain Areas (ANZM) conceived and submitted for the approval a programme of sustainable development and protection of the mountain population and environment, for the period 2002–2004; this programme is in connection to the “Mountain Law” draft. The ANZM’s programme has the following objectives: sustainable development of the mountain private and commercial farms; better use of mountain rural resources, by development of small and medium enterprises and of agri-tourism; mountain environment protection and social protection, by granting of “natural allowances for natural disadvantages” (ICHN, an European Union’s system), by supporting the young families and by conceiving of a system for retirement and against poverty; adapting the educational system for the mountain rural agriculture to the mountain area’s specific features, development of continuous training for adults in applied scientific (mountain) research; establishment of governmental and non-governmental organizations (NGOs) specific to the mountain areas; and establishment of professional farmer organizations in the mountain area.

Since September 2001, CEFIDEC-Vatra Dornei have started the programme financed by the World Bank, a programme created for training of 750 young mountain farmers, for the period between 2002 and 2004. SC “CEDER”-Sibiu (Mountain Institute) benefits from a research–development programme for the mountain area, financed by the World Bank.

The special programme for less-favored areas, “Assistance for agricultural activities in rural area” was adopted by the DG no. 522 of the 22nd of June 2000 and has for purpose to grant financial non-reimbursable aid for purchasing machines and equipment for agricultural productive activities or specific services.

D. Promoting the Integrated Provision of Environmental Infrastructure: water, sanitation, drainage and solid waste management: See under Freshwater and Sanitation Profiles.

E. Promoting Sustainable Energy and Transport Systems in Human Settlements: *Energy:* A rehabilitation programme for thermal plants has been initiated, but so far the objective of this programme has been to extend the life of the plants rather than increase their efficiency and reduce the environmental impact of power generation. A programme for renewable energy sources prepared before 1989 was reported to be unsuccessful, and a new programme is now ready for implementation, if approved. This programme includes solar energy, photovoltaic energy, wind energy, biomass energy and geothermal energy.

National targets for enhancing energy and material efficiency, waste reduction, recycling, public transport and quality of life include: re-technologization of energy-intensive consumption and energy plants for termic and electric energy co-generation; promoting technologies, equipment, and products with low consumption of energy; awareness and technical assistance for consumers; regulations and standards for energy efficiency; financial and economic instruments to encourage rational use of energy; encouraging industrial and public transports that are energy-efficient and environmentally sound and life quality; promoting building systems and highly energy efficiency technologies; promoting non-conventional energy sources and clean technologies; preventing, minimization of waste; reusing (packing, spare parts, industrial used waters); recycling of waste (paper and cardboard, glasses, metals, textiles, betters, used oils); recovery of waste as energy resources; and technical and financial assistance to small and medium transport enterprises. In addition, industry uses reliable materials in manufacturing process, increasing the reliability of installations and providing spare parts and maintaining services during the entire life cycle of products. These measures are mandatory.

Romania's mode of transport doesn't require most immediate attention in improving transport efficiency and reducing damages to ecosystems. The immediate goal should be to adopt measures to improve transport efficiency in the country. The major obstacle preventing Romania from adopting more efficient transport and traffic systems is financial constraints.

F. Promoting Human Settlement Planning and Management in Disaster-Prone Areas: *Transboundary pollution by accidents:* In 1992, the EU with PHARE/TACIS started the Environmental Programme for the Danube River Basin, according with which Romania developed a national plan. International working groups were set up to address several important issues, such as the transnational monitoring network or the accident emergency warning systems. UNDP started a project for the co-ordination of environmental emergency measures in Romania after the accidental spills.

Regional and bilateral co-operation: Transboundary pollution by accidents: In 2000, there were several environmental accidents in Romania. The most serious was the Baia Mare cyanide spill, causing considerable transboundary pollution. In response, the UNEP/OCHA Joint Environment Unit – Disaster Response Branch organized an international rapid assessment mission to Romania, Hungary and Yugoslavia. Its recommendations included further risk and environmental impact assessment of the regional industries, emergency planning (according with the APELL process) and increased international co-operation to prevent and respond to emergencies. Romania intends to develop a harmonized trilateral plan for emergency response with Hungary and Ukraine, for the rivers within the upper Tisa river basin. Romania has not ratified the UN/ECE Convention on the Transboundary Effects of Industrial Accidents. In the case of the Baia Mare accident, the early-warning system implemented under the Convention on Cooperation for the Protection and Sustainable Use of the Danube River was used in order to notify the downstream authorities.

G. Promoting Sustainable Construction Activities: The Ministry of Transports, Constructions and Tourism co-ordinates the specific programme for technical regulation, aiming to complying with the European standards in the field.

A number of documentations and research studies focus on the adoption of the guidelines of the European Community in the field of 89/106/EC Directive regarding the building products as basis for the interpretation and adoption of the European sectoral legislation. The conditions for introducing the building products on the market had been established through the Governmental Decision no.102/2003 with later modifications, which translates the provisions of the 89/106/EC Directive.

The research activity in the field of sustainable construction, materialized in technical regulations, guidelines and methodologies, is structured on 12 distinctive themes, under each theme a number of activities being already finalized between 2001 and 2004. The themes are: “The harmonization of the regulating technical framework in the field of construction quality with the EU legislation” (33 activities); “Informatization, data banks in construction, urban and territorial planning” (39 activities), “Urban and territorial planning, habitat” (109 activities), “Seismic risk, actions and construction safety; natural disasters defense and population seismic prevention education” (47 activities), “Building structures” (34 activities), “Geotechnical engineering, foundations and land sliding” (21 activities), “Hydro technical, hydro endowments constructions and navigating ways” (25 works), “Procedures and technological equipments for constructions” (15 activities), “Constructions in the field of road transports and airports” (19 activities), “Constructions in the field of railroad transports” (10 activities), “Installations and equipments” (49 activities) and “Construction physics and functional requirements for construction” (40 activities). The activities include documentations, guides, audit, promotion activities, methodologies, norms, normatives, codes, pilot studies and programmes, data banks development and analysis, all aiming to the promotion of sustainable construction activities.

H. Promoting Human Resource Development and Capacity-Building for Human Settlement Development: The strategy of the National Development Plan has nine strategic priorities, amongst which are: Human Resources Development in the context of industrial restructuring, aiming at developing people’s working abilities and adjusting them to structural changes to encourage future economic growth, facilitate access to employment, improve the employment possibilities of marginalized groups, and contribute to social inclusion; assistance to small and medium sized enterprises, aiming at fostering investment for the establishment of new enterprises and the development of existing micro and young enterprises; and local and regional infrastructures, aiming at developing infrastructures that support business development, in order to strengthen competitiveness of SMEs through better access to technologies, services, markets and information and to rehabilitate degraded sites. For Human Resources Development, support is concentrated on the following priority objectives: qualification and re-qualification of the work force in order to make it more respondent to the evolving needs of the labour market; enhancement of active employment measures as systemic tool to foster employment; and promotion of social inclusion for disadvantaged groups. The overall objective of PHARE 2001 Programme is to support the Romanian Government to implement an integrated multi-annual regional development policy through investment projects in priority sectors, in order to enhance the indigenous economic and social potential of the identified target areas facing severe industrial restructuring and demonstrating potential for economic growth, in line with the provisions of the National Development Plan and in close correlation with the institution building support provided for designing national economic and social cohesion policies in line with the EU policies and practices.

Rural life conditions are not attractive for the teaching personnel, thus in many low developed areas the qualified teaching personnel leave the rural and personnel with inadequate training replace them. Only 1 of 100 village inhabitants graduated a higher education institution. Most of the graduates of higher education institutions live in cities. Only 10% of these chose to live in the rural area. The effects of this

situation are multiple: economic activities are not diversified, the agriculture is non-efficient, (it does not make use of modern technique and technologies), and the hygiene-sanitary situation of the dwelling is low, mortality rate is high. Agricultural education holds a very low share in the Romanian educational system. Agricultural profile graduates at all levels of education represent a very low share in the total of graduates, much under-sized compared to the importance of agriculture for Romania's economy.

In this respect, the Law no.646/2002 regarding the state support for the young people in the rural area aims to settling qualified young working force, establishing the legal framework to facilitate access to land and housing for licensed professionals.

Status: The PHARE 2000 – Regional Development Programme is currently in the stage of preparation and/or selection of projects, the estimated date for concluding first contracts being the beginning of 2002. The PHARE 2001 – Economic and Social Cohesion Programme is under approval procedure. The drawing up of the procedural and contractual framework is in the final stage. For disadvantaged areas, the special programmes are currently in progress. The entire process is managed by MDP, which is responsible for the signing of financial contracts. The projects carried out these areas also benefit from tax incentives provided by the law.

Transports: Local effects of air pollution from road transport - Ambient air quality exceeds maximum admissible concentrations (MAC) for many air pollutants like NO₂, SO₂, CO, PM and lead, quite frequently in many Romanian cities and industrial areas. The air pollution in urban areas is mainly due to industrial activities and traffic.

Energy: The environmental impact has been lower over the past decade because of a decrease in demand and production; following the recommended fuel supply strategy over the long term (World Bank study, 1998) would result once again in a pollution level similar to that in the late 80s. This indicates a lack of policies on energy saving, the use of renewable energy resources and of modern technologies to obtain higher efficiencies and on the reduction of the environmental impact of energy consumption. Policies aimed at reducing the environmental impact of the production, transmission, distribution and consumption of energy are mainly related to energy efficiency and are included in the National Energy Strategy and the National Sustainable Development Strategy, both approved by the Government in 1999. Hence, the policy aims to clean up past pollution and at the same time reduce the environmental impact of the future exploitation of domestic resources. However, funds are lacking and the coal mining industry is heavily subsidised by the State. The strategy on renewable energy sources is limited to five full-scale bio fuel projects and a number of demonstration projects. The legislation includes no specific incentive for the use of renewable energy sources. The national energy saving agency, ARCE, plays an important role in the strategy, but the Energy Efficiency Law had just been passed by Parliament when the agency experienced a 50% reduction in size, including the closing of 8 of its 16 local agencies. While the new Law expresses Romania's desire to improve energy management, the problem is that the necessary resources to do so are unavailable.

Youth and employment - The proportion of young people in the total number of unemployed is 50.96%, with small regional differences. The main problems affecting this social group are: lack of housing / difficulties in obtaining it; lack of professional training; lack of participation in the public and political life; drug abuse and dependence; and lack of organizations in charge of youth problems.

Agriculture - Soil resources in Romania are extremely important because 62% of the total area of the country is agricultural land. Agriculture contributes 20% to the national income. The agricultural lands productivity is diminished by 20-30% due to certain limiting factors as chemical pollution due to the unreasonable utilization of fertilizers and pesticides, emissions of heavy metals and hydro carbonates. In drought periods, agricultural productivity diminishes severely in the affected areas.

One of the Government's concerns is also the situation of the Romanian mountain agriculture and environment, environment that represents 33% of the national territory, is populated with more than 3.6 millions inhabitants and have more than 1 million farms, most of them being of subsistence type: the mountain area's agricultural production is obtained from more than 3.2 million ha and is based on animal breeding and on the fodder base provided by the 2.5 million ha of pastures and natural grasslands. This type of agriculture is done extensively and the obtained products are of ecological type, as the Romanian mountain agriculture is not "touched" by the use of chemicals; and the forest vegetation is rather good, the afforestation degree exceeding 60%. In the last ten years, the livestock, especially the number of cows and sheep, has been dramatically reduced. At the same time there was a decrease of the quantity of natural fertilizers which has had a negative influence on the composition of the natural pastures' fodder flora. The loss of many jobs and the fact that living in the mountain area was more and more expensive generated a drastic decrease of the small farmers' incomes and also led to a situation like never before: off all the European mountains, the Romanian mountain rural population had the highest degree of poverty.

Capacity Building, Education, Training and Awareness-Raising: To strengthen the institutional capacity for the implementation of an integrated regional development policy, both PHARE 2000 and 2001 Programmes include an Institution Building component.

A few cities organized "A day without cars," when people walk or used only public transport. Romania does not have an organized mechanism to promote public awareness on the issues like the impact of car transportation, which is a destructive element to the environment due to pollution. The state subsidizes tickets to enhance use of public transportation.

The Rural Development Programme involves: successful completion of TA/training and project development activities in 5 pilot counties, and 100 pilot communes in four modules, as measured by training effectiveness: results of post training evaluations by training recipients; outside expert assessments of training effectiveness; satisfactory completion of at least 200 locally initiated infrastructure subprojects in target communes and communities; and implementation of a formula for equalization of grants from counties to local councils in pilot counties.

Information: The National Institute for Statistics mainly provides the necessary statistical information produces relevant data at regional level for: demography; employment; income and consumption, living standards indicators; and social infrastructure.

Primary information and methods used, in gathering information and maintaining a database related on road transport and traffic systems are managed by: National Road Administration – road traffic; the National railways Transport Company "CFR-S.A"; and Airports. At national level, National Statistics and Economic Studies Institute organize official statistics.

Research and Technologies: Romania is promoting energy-efficient electro technologies and the use of renewable energy (hydropower, biomass, geothermal, waste-derived fuels). There is a project proposal for utilization of alternative sources energy (LPG, electric, solarium energy). However, only vehicles homologate for LPG utilization is materializing.

The scientific research reform programme in agriculture and food industry is aiming at content reorganization of the research and marketing, extension and technological transfer of the research results to the major segment of the private farmers. Another major goal is the institutional reorganization to meet the current requirements of the agricultural ownership new structure. The research is focused on the need to preserve and improve soil and water since they are essential elements for a sustainable agricultural and food industry.

Environmentally Sound Technologies (ESTs) are most urgently needed in the energy and agriculture sectors as well as in the pulp and paper industries, the cement industry and the non-ferrous smelting industry. A copyright Law is in place but no reference is made in it to the promotion of investments related to the transfer of ESTs. To date there is no national policy or effort by the private sector to promote the transfer to ESTs or cleaner production processes.

The Ministry of Transports, Constructions and Tourism is also supporting different projects for: the development of new technologies and new building materials of higher performance – even through recycling the waste resulted from industrial activities and processes – for the protection of constructions; the promotion of local ecological building materials; high performance concretes (HPC); retrofitting solutions without the residents' relocation; optimizing of envelope systems of the buildings to enable the reduction of thermal energy loss, ensure the functional sustainability, increase the tightness and hydro thermal parameters; investigations regarding the dynamic features of lands in all regions, etc.

Financing: The new pre-accession programme, the Instrument for Structural Policies for Pre-Accession (ISPA), is aimed at the development of transport and environmental protection infrastructure (waste, water and air infrastructure), in order to support the implementation of the relevant EU directives requiring large investments. For environmental infrastructure (wastewater, waste management and air pollution), grants of €120 million per year will be available for Romania, from 2000 until 2006. Grants of the same amount are available in the transport sector and will be managed by the Ministry of Transport.

UNDP is an active partner in environmental protection. Ongoing projects in Romania include the GEF-funded project (US\$ 2 million) on capacity building for greenhouse-gas emission reduction through energy-efficiency improvement, which is implemented in co-operation with the Ministry of Industry and Mineral Resources, and the Romanian Agency for Energy Conservation.

Energy investments are mainly financed by public domestic sources (energy companies' funds, the national energy development fund, budgetary resources). A small part of investments is coming from foreign sources (BIRD, BERD, EU, BEI, etc.).

Cooperation: Ministry of Public Works, Transport and Housing participates in the framework of international organizations such as in November 1999, at Sofia (Bulgaria), a conference on energy infrastructure, transportation, telecommunication and environment was held. All international agreements where Romania is a Part, are aimed at improving global transport systems.

The creation of decentralised, effective and broad partnership proved to be one of the key factors in the success of the Economic and Social Cohesion PHARE programmes. Partnerships involving upgrading of the partners skills is appropriate in order to maximize synergies, increase the commitment of all at the local and regional level, and call on a wide range of financial and intellectual contribution.

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