



**NATIONAL REPORT FOR THE THIRD CONFERENCE OF UN-HABITAT
(2016)**

The National report for the third UN-HABITAT Conference (2016) has been elaborated in 2014 by an inter-ministerial working group coordinated by the Ministry of Regional Development and Public Administration and composed by representatives of the Ministry of Foreign Affairs, Ministry of Internal Affairs, Ministry of Environment, Waters and Forest, Ministry of Labour, Family, Social Protection and Elders, Ministry of Health, Ministry of Transports, Ministry of Economy, Trade and the Business Environment, Ministry of Energy, National Institute for Statistics.

The Report has been elaborated according to the methodological guide provided by UN-Habitat.

The information presented in the report cover different periodos between 1992-2014, according to available data.

CONTENTS

I. Urban demographic issues and challenges for a <i>New Urban Agenda</i>	6
Management of rapid urbanization	6
Management of rural-urban linkages	7
Addressing the urban youth needs	8
Integrating gender in urban development	12
Challenges and lessons learnt in the above mentioned areas	13
Future challenges and issues in the above mentioned areas that could be dealt with in a New Urban Agenda	14
II. Land and Urban planning issues and challenges for a New Urban Agenda	16
Ensuring sustainable urban planning and design.....	16
Improving the urban land management, including addressing urban sprawl.....	17
Enhancing urban and peri-urban food production	22
Addressing urban mobility challenges.....	24
Improving technical capacity to plan and manage cities	25
Challenges and lessons learnt in the above mentioned areas	26
Future challenges and issues in the above areas that could be dealt with in a New Urban Agenda.....	27
III. Issues and challenges of urbanisation and the environment in a New Urban Agenda	28
Addressing climate change	28
Disaster risk reduction.....	29
Reducing traffic congestion.....	31
Air pollution.....	32
Challenges and lessons learnt in the above mentioned areas	34
Future challenges and issues in the above mentioned areas that could be dealt with in a New Urban Agenda	35
IV. Urban governance and legislation: issues and challenges for a New Urban Agenda .	36
Improving urban legislation	36
Decentralization and strengthening of local authorities.....	37
Enhancing urban safety and security	40
Improving social inclusion and equity.....	41
Challenges and lessons learnt in the above mentioned areas	43
V. Urban economy: issues and challenges for a New Urban Agenda	46

Improving municipal/local finances	46
Strengthening and improving access to financing to housing finance	47
Supporting local economic development	49
Creating decent jobs and livelihoods.....	49
Integration of the urban economy into national development policy	50
Challenges and lessons learnt in the above mentioned areas.....	52
Future challenges and issues in the above mentioned areas that could be dealt with in a New Urban Agenda	52
VI. Basic habitation and services: issues and challenges for a New Urban Agenda	54
Slum upgrading and prevention	54
Improving access to adequate housing	54
Ensuring sustainable access to safe drinking water	56
Ensuring sustainable access to basic sanitation and drainage.....	56
Improving access to clean domestic energy	57
Improving access to sustainable means of transport	58
Challenges and lessons learnt in the above mentioned areas.....	59
Future challenges and issues in the above mentioned areas that could be dealt with in a New Urban Agenda	61
Indicators.....	63
i. Percentage of persons living in slums	63
ii. Percentage of urban population with access to adequate housing	63
iii. Percentage of urban population with access to safe drinking water	63
iv. Percentage of urban population with access to proper sewage services	63
v. Percentage of urban population with access to regular waste collection services	64
vi. Percentage urban population with access to green energy for home usage.....	64
vii. Percentage of urban population with access to public transportation systems.....	64
viii. Level of effective decentralisation for sustainable urban development, measured through: (i) percentage of policies and legislation on urban issues to which the local and regional authorities have participated to in the design stage starting from 1996 up to now; (ii) percentage share from revenues and expenses allocated to local and regional authorities from the national budget; (iii) percentage share from local authorities expenditure, that is financed from locally obtained revenues.....	64
ix. Percentage of national, regional and local authorities (cities and towns) that have implemented urban policies supporting local economic development and creation of means of living and decent jobs	64
XI. Percentage of regional and local authorities (cities and towns) that have implemented plans and designs for sustainable cities that are able to properly answer to the issue of urban population growth.....	65

xii. GDP share produced by the urban areas	65
xiii. Any other data regarding urban issues that are relevant for the National Report.....	66

Abbreviations:

MMFPSPV - Ministry of Labour, Family, Social Protection and Elderly

ILO - International Labour Organisation

NEET'- Young people not in employment, education or training

MAI - Ministry of Internal Affairs

UNFCCC - United Nations Framework Convention on Climate Change

INEGES - National Inventory of Greenhouse Gases Emissions

IPCC - Intergovernmental Panel on Climate Change

GES - Greenhouse gases

MMFPSPV, ASIS - Social Affairs and Social Inclusion Technical Working Group

UAT- Territorial administrative unit

ANL - Național Housing Agency

BIRD - International Bank for Reconstruction and Development

BERD - European Bank for Reconstruction and Development

BM -World Bank

UNCTAD/EMPRETEC - Empretec capacity-building programme of the United Nations Conference on Trade and Development (UNCTAD)

I. Urban demographic issues and challenges for a New Urban Agenda

Management of rapid urbanization

There is a direct link between the level of urbanization and the per capita revenue: All countries with high revenues are urbanized up to a 70-80% percentage. Thus, it seems that the development for a specific country entails an urbanization process, as there are no examples of countries that were able to reach high levels of revenue or fast growth, without a substantial urbanization, a swift one in many cases. Urbanization represents a process that is most probably undertaken in a natural fashion; however, the public authorities are in a position to play an extremely important role in the guidance of such a process, in developing the positive market externalities and in minimizing the negative effects of urbanization (traffic congestion, pollution, social tensions etc.).

For the past 50 years, Romania has been confronted with an acute urbanization process, with features that were specific for each period of manifestation. Until 1990, it was represented by a process stimulated by the industrialization policy led during the communist regime, undertaken based on a rigorous systematization from the central level. As a result, the urban population grew from 3.7 million people in 1930 to 12.7 million people in 1989. According to statistical data, over 1.4 million housing units were built in the urban area during 1945-1989, while the urbanization process entailed the growth in urban population as well as the increase of town areas. After 1990, the urbanization process has been organically generated by the changes occurred in the social and economic environment (a change in optics in terms of housing habits, deindustrialization and a focus on small production units and clusters). During this period, the urbanization process has manifested itself through the expansion of urban space, understood either as the built-up area of urban localities, or by creating functional urban areas.

In terms of the development in the numbers of urban population calculated against demographic categories of cities at national level, a sharp decrease of the urban population in large cities (those over 100,000 inhabitants) can be emphasized, as well as a decrease in the number of mid-sized towns (ranging from 20 to 100 thousand inhabitants), due to the decrease of their population. These trends are caused by a negative growth rate of population, by migration of population from towns to rural areas (as a side effect of industrial restructuring) or to the peri-urban areas, as a result of the urban expansion phenomenon.

As a result of applying the Government Programme for 2001-2004, 60 new localities have been declared as towns, thus, after 1990, the total number of Romanian towns was increased from 260 to 320. In most of the cases, however, the shift from rural to urban was not also accompanied by the provision of facilities and services that a town should cover. At the same time, the increase in the number of towns did not lead also to an increase in the urban population, which decreased by 6.4% compared to 1990.

The social and economic dynamics of an urban centre should not be limited to its administrative boundaries alone, as the neighbouring localities, polarized by the urban centre, should also be taken into consideration. Most of the localities placed in the neighbourhood of large Romanian cities have recorded a positive dynamics in terms of population development, while the number of inhabitants declined in the concerned cities. Throughout the past 10 years, best performance (in terms of population growth, higher number of criteria and standards fulfilled) has been achieved by those new towns placed in the peri-urban area of large cities - especially around the capital city, as functional urban areas have been formally or organically organised.

Management of rural-urban linkages

The urban development that represents a hallmark for the past decades has underlined the swift development of the suburban areas for large cities. In parallel, acknowledging the fact that the most densely populated areas are also the least urbanized ones has led the assignment of the areas with the largest urbanization potential (World Bank Report, 2013). This scenario points out to the possibility of a future focus around the emerging urban centres, provided that the rural areas are better connected with the important locations from the economic and demographic perspective.

The decision-makers continue to define the suburban areas as being rural ones, despite their proximity to large economic centres and their significant development throughout the last years. It is important to redefine the urban areas in order to include suburbs, as well, and in order to allow for a proper planning and tighter integration of such communities.

A great many partnerships have been concluded between the local public administrations during the last years, taking into consideration the strong interactions recorded between the localities - both at public administration level in terms of supplying services to population in the most efficient manner, or for coordination of planning and for correlating the land use; as well as at general population and companies level, depending on the location of homes and workplaces, of headquarters and sales outlets, respectively. Currently, 620 inter-community development associations have been registered at national level, and out of these 186 entail the participation of at least one urban locality (30%). There are 10 Metropolitan Areas (or similar ones). Unfortunately, in very many cases, the development associations do not comprise all localities placed in the support/influence area of the nucleus city, and this results in gaps in terms of approaches and activities as the failure to provide spatial contiguity diminishes the association's ability to make up a powerful and attractive urban pole.

We must mention here the Local Action Groups (LEADER 2007-2013 Axis), which identify micro-areas with specific development objectives. These are entities representing public-private partnerships, made up from representatives of the public, private and civil sectors, designated from within a homogenous rural area, which have to fulfil a number of requirements in terms of their composition, area coverage and which shall implement an integrated strategy for territorial development. In order to provide a rural nature for the well identified sub-regional areas covered by LAGs and in order to avoid the misguidance of the strategy and of the projects involved, the coverage area of a LAG consists of territorial administrative units - communes and territorial administrative units - towns with population of less than 20.000, but the total urban population of the LAG cannot exceed 25% of its total number of inhabitants.

During the 2014-2020 programming period, the use of the new community-led local development tool (CLLD), a LEADER-based approach, will be included among the structural instruments available for the integrated management of urban and rural areas.

In parallel with the development policy for cities playing a major role at national level and with that of reducing territorial disparities, it is required to strengthen the level of small-sized towns which are recovering their historical role of bringing together the neighbouring rural area.

Addressing the urban youth needs

One of the features of the Romanian population for the last century is the ageing trend.

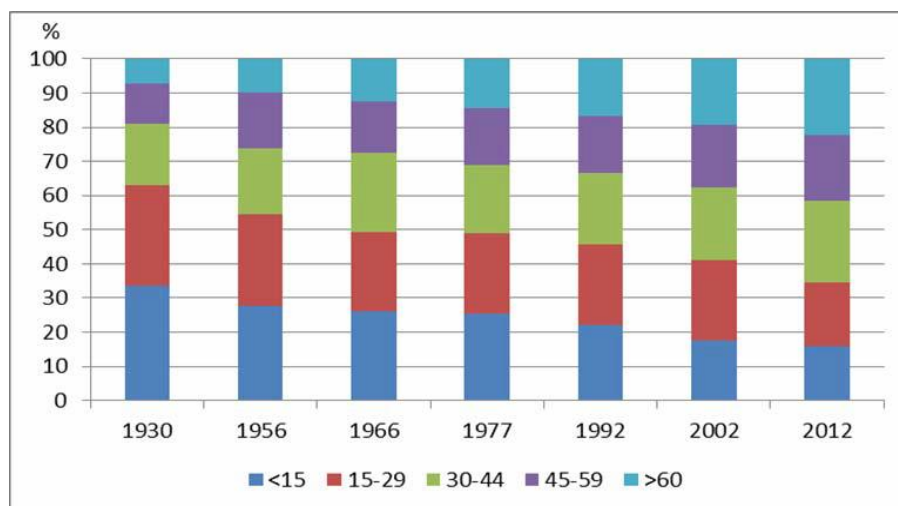


Fig. 1. Romanian population development against major age groups between 1930-2012 (Source: Supporting research for SDTR)

Even if the share of young population in Romania is placed above the EU-27 average, at 25.1% for 2012, the decrease for the past 10 years is more pronounced for our country (including the urban area).

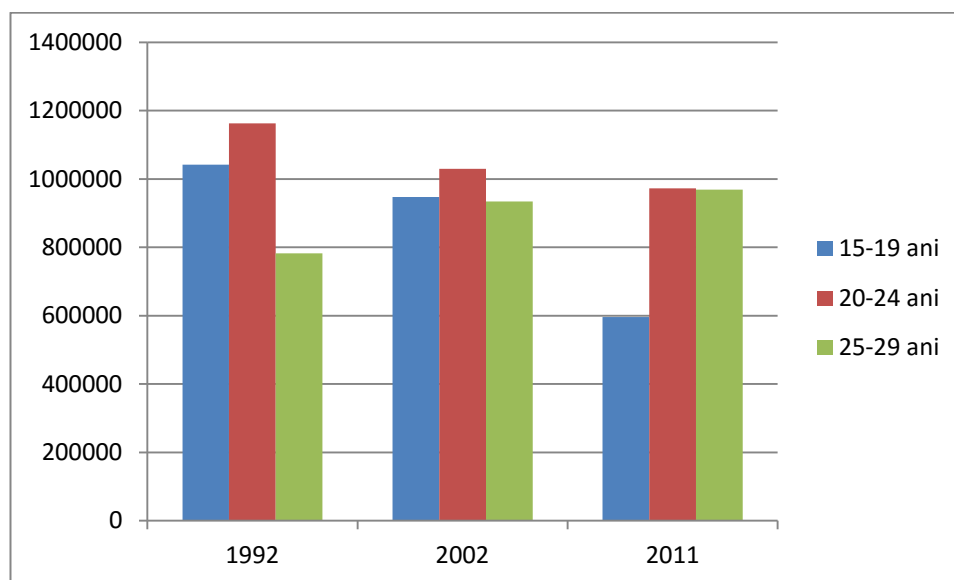


Fig.2. Young population development in the urban area (Data source: NSI)

There are significant gaps recorded between Romania and the average value of EU27 in terms of the youth employment rate (15-24 years), as for 2012 the average value of this indicator was 9 pp lower for Romania compared to EU, respectively 23.9% in Romania, compared to 32.9% for the U27 average, with a bigger gap for young women (11.1 pp).

Romania has the highest poverty rate for the young people aged 18 to 24 in work: 31.8% of them were poor in 2012 (the level of poverty reported against the total employed population is of 19,1%) even if they have a job, while the average value for EU-28 is 12%.

According to the CPARSDR report (2009), over 40% of those employed in the informal economy are young people aged 15 to 34 years.

Young people (15-25 years) run the highest risk to become ILO unemployed, as the risk is higher in Romania compared to European countries included in EU-15. Young people predominate among the unemployed who have never worked and they represent over a third of the long-term unemployed. The unemployment rate for young people aged from 15 to 24 years increased from 18.6% in 2008 to 22.6% in 2012.

To meet the challenges caused by high levels of youth unemployment, Ministry of Labour, Family, Social Protection and Elderly (MMFPSPV) together with other relevant authorities developed the National Plan for Youth Employment 2013 (PNSOT 2013), which included measures and programmes targeted to the integration of young people into the labour market: mobility bonuses, financial incentives, vocational and career guidance, entrepreneurial counselling, business incubators, internships, apprenticeships, partnerships between schools, universities, companies and other organizations and start-ups established by young people.

In addition to continuing efforts to meet PNSOT 2013 and Council Recommendation of 22 April 2013 in order to establish a Youth Guarantee, MMFPSPV developed and promoted at the end of 2013 the Implementation Plan for the Youth Guarantee 2014-2015, approved by the Government. This Plan was dedicated to all young people under 25 years in order to receive a quality offer for a job, for continuing education, for joining an apprenticeship or internship, within 4 months since their registration with the local employment agencies or starting from the moment they no longer pursue a formal type of education. **The Plan benefits from a national and European funding amounting to 470 million EUR, 106 million being covered by the Youth Opportunities Initiative.** Withal *two Youth Guarantee-type of pilot projects* are currently being implemented, that were started on December 23, 2013 and which have an implementation period of 18 months, financed from the Sectorial Operational Programme Human Resources Development (SOPHRD) 2007-2013. **The measures** for the two pilot projects include the following: customised packages of active measures, integrated services for information, counselling and guidance, vocational training, apprenticeship, job mediation, assistance to starting-up independent businesses, organization of 20 job fairs.

These measures for integration of youth into the labour market are supplemented by two more initiatives: *the young graduates' Fair* organized at national level on a regular basis with the purpose of matching the educational system graduates with the employers, in order to establish labour relations and the *NEETs Youth Fair* (for young people up to 24 years old *who are not active in the labour market and who do not pursue any educational or vocational training programme either*), organized at national level in July 2014, whose **purpose** is to match the NEET's youth with employers, in order to establish labour relations.

Other measures that the Ministry of Economy, Trade and the Business Environment is responsible for:

- SRL-D - Stimulating the start-up and development of micro-enterprises by young entrepreneurs;
- START - Developing entrepreneurship skills among young people and facilitating their access to funding;

- Growing-Up II financed by the European Commission, within the Erasmus programme.

Other measures that the Ministry of National Education and Scientific Research is responsible for:

- providing institutional services and facilities through the provision of social scholarships and other types of support to students in the pre-university state education who come from socio-economically disadvantaged families, from disadvantaged or affected by unemployment areas (“Money for High school” Programme - 180 RON/month, “Professional Scholarship” Programme - 200 RON/month, “200 Euros for purchasing a computer” Programme);
- granting an increased number of places specially for Roma candidates for admission to high schools;
- developing and extending the “Second Chance” programme at compulsory education level, as a measure to correct school abandon;
- implementing the measures that aim this category of young people from the Strategy on reducing early school leaving in Romania (GD 417/2015) and from the Strategy for vocational education and training in Romania for the period 2016-2020 (GD 317/2016).

The National Youth Strategy 2015-2020 was approved by the government in 2015 with the following intervention priority areas:

- Culture and non-formal education. Within this priority area it will be intervened on ensuring access of all adolescents and youths to training and quality education, both formal and non-formal, stimulating the interest of the youths in participating in non-formal education activities; ensuring a better practical relevance of the skills acquired through formal and non-formal education; facilitating youths’ access to culture consumption and quality cultural creation; improving the financing of cultural activities.
- Health, sports and recreation. Within this priority area it will be intervened on sustaining the health and life quality of the youths, preventing injuries, nutrition disorders and substance abuse and dependence; achieving education through sport and physical activity in order to form a healthy lifestyle, developing as active and responsible citizens and encouraging young people’s association of recreation with sport practice and movement; improving leisure opportunities of young people, both in organised ways and in informal ways.
- Participation and volunteering. Within this priority area one will intervene on increasing the participation degree of young people in the life of the community, in all respects: social, educational, cultural, economic and health; increasing the youths’ participation degree in the political life; increasing the participation degree of NGOs of and for youth in structured dialogue; creating a suitable environment for volunteering in Romania; improving the system for the certification and public recognition of the volunteering activity; raising public awareness about the importance of engaging in volunteering activities. In 2015 the platform www.hartavoluntariatului.ro was created and managed by VOLUM Federation - Federation of Organizations Supporting the Development of Volunteering in Romania where the volunteers can obtain volunteering certificates following an experience of at least 120 hours of volunteering to attest the professional experience in the area they were involved. These certificates can be issued only by

the organizations with which they have entered into a voluntary agreement and refer to the skills acquired during the voluntary service.

- Labour and entrepreneurship. Within this priority area one will intervene on increasing the youth employment rate, focusing on the age groups 15-24 and 25-29; promoting the existent legal measures in the favour of the youths, ensuring the coherent transition from the educational system to the labour market; promoting and sustaining the balance between the professional and personal life of youths; stimulating youths' mobility in the domestic labour market; supporting Romanian youths' mobility in the European labour market, including through programmes combining work with training and through integration programmes within the post-pilot phase of the "Your first EURES job" programme; providing better chances for youths' access and maintenance on the labour market, by acquiring and developing skills and competences; developing the social economy and increasing the degree of youths' participation therein; increasing the degree of youth self-employment in business (including rural areas); promoting entrepreneurship, at all youth education and training levels; facilitating the adaptation of young entrepreneurs to the European integration and globalisation processes.

Responding to the needs of the aged

In Romania, the structure of population against age groups has registered important changes. As a result of a decrease in the birth rate, the share of population under 15 years old is continually decreasing, while the share of population above 60 years old is continually increasing.

Besides the social insurance system based on which the elderly people benefit from their pension scheme, they are also eligible for a series of **social care measures**:

1. Social care benefits

The elderly people with no revenues or whose revenues are situated below a certain threshold stipulated by the law are eligible for the following social care benefits and facilities:

- Social care aid for providing a minimal guaranteed revenue, and also emergency aid in case of difficult situations, provided by the state budget, based on Law no. 416/2001 on the minimal guaranteed revenue as subsequently amended;
- Social allowance for pensioners is granted among the social protection measures presently applied within the public pension system and completes very small pension income derived from pensions to a maximum level established by law;
- Aid for supporting the expenses related to heating during the cold season, provided from the state budget, based on Government Emergency Ordinance no. 70/2011, including subsequent amendments and additions;
- Financial aid for elderly people in need, provided by the public local administration authorities, from their own budgets;
- Facilities for urban and inter-urban transport, phone, radio-TV utilities, procurement of food products at a lower price through special stores, supported from local budgets;
- Spa treatment tickets for retired people, supported from the budget allocated to the National Office of Pensions;
- In-kind aid, such as: food, footwear, clothing, medicines and medical devices, construction materials and other similar items, supported from the local budgets.

2. Social services aimed at the elderly

The provision of social services is performed by the local and county authorities, as well as by NGOs, various clubs or other private service providers. The main types of social services targeted to the elderly are the following:

- Residential-based care services
- Home-based care services,
- Assistance and support services for the elderly provided within the community, respectively day care centres for nursing and recovery, day club-type centres, day care centres for promoting volunteer ship activities among senior people;
- Counselling and information services provided free of charge by the public local administration authorities.

Starting with 2006, it is mandatory for the providers and the social services they provide to comply with the quality standards for the home care services for the elderly and for the residential centres for the elderly.

Integrating gender in urban development

The urban area is dominated by the female population, especially in the city of Bucharest.

During the reference period, Romania has recorded major achievements in the field of equal opportunities for women and men, with the purpose of achieving complete equality of opportunities between women and men, hallmarked by:

- adoption of Law no. 202/2002 on equal opportunities and treatment between women and men, republished, and the creation of a proper legislation framework;
- Creation of a number of institutional mechanisms that provide the substantiation, development and application of the Government strategy and policies in the field of equal opportunities and treatment between women and men (the establishment of County Boards for **equal opportunities** between women and men and of the National Board for **equal opportunities** between women and men); these boards are local structures, with an advisory and information mission, whose main task is to promote and implement the values and principles of non-discrimination against gender, equal opportunities and treatment between women and men, at local level. County Boards have the mission to promote and disseminate at local level all the activities and objectives of the National Strategy, to undertake actions at local level for delivering information, increasing awareness and assessment of the current stage of applying and complying with the legislation in the field of equal opportunities between women and men in various sectors.
- Implementation of a series of public policies in the field having the fundamental right of equality between women and men as a landmark: National Strategies for equal opportunities between women and men for the 2006-2009 period, respectively for the 2010-2012 period. In 2014 it was approved the National Strategy on Equal Opportunities for Women and Men for the period 2014-2017, including the General Action Plan for the period 2014-2017.

An important role in the successful achievement of many of the activities undertaken within the National Strategies for gender equality was played by the partnership between the authorities in this field and the social partners (trade unions and employers), non-governmental organizations (NGOs) and other stakeholders interested in the implementation of a number of projects co-financed from ESF through SOPHRD, as well as through other non-reimbursable funds:

ANES and later on the specialized expert division of the Ministry of Labour have maintained a close cooperation with the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA), translated in various joint activities:

- the *“Partnership-based support for the UNDP Romania initiative to adopt a Statement of transposing the global target of Millennium Development Objective no. 3 on the presence of women in the Parliament”* project implemented in 2010
- The Ministry of Labour, Family, Social Protection and Elderly, through its expert division, worked together with UNFPA-Romania, as a permanent member during the meetings of the working group for the organization of the Gender Equality Observatory in Romania. The main areas of interest for the Gender Equality Observatory were the labour market, education, health, migration, social inclusion and the removal of gender roles and stereotypes. The role of the working group was to make an inventory of public policies in the field of gender equality and to analyze the results of these measures, of legislation adopted in the field of anti-discrimination, of the academic papers published in the field of gender equality, of research and studies published in the field and also to build a database of non-governmental organization that are active in the field of gender equality and defence of human rights.

Challenges and lessons learnt in the above mentioned areas

Establishment of new towns has not led to positive effects in the sense of supporting the development of neighbouring areas and optimization of services, as it was not followed/supported by related territorial and urban policies, by specific investment policies or by priority support for accessing European funding.

In order to support a balanced territorial development of Romania, the process of creation of functional urban areas must be facilitated, as this leads to structuring the network of localities, to strengthening the operation and the provision of a territorial role by the urban centres, so that the access to goods and services for the general population can be extended. The functional urban areas are based on the urban-rural partnership, a pre-condition for ensuring a sustainable territorial development. This partnership could provide a repositioning for public administration authorities in the context of continuous expansion of built areas, thus contributing to the management of territorial improvement needs.

The development of a polycentric network of localities and the creation of functional urban areas are based on a territorial partnership, especially on the relationship between the urban and the rural side.

According to the latest National Anti-Poverty and Social Inclusion Promotion Plan, the issues that young people (14-29 years old) are confronted with are the following:

- a poverty rate above the average value (an important share of young people do not own financial independence and they depend on their family revenues)
- limited access to housing
- unemployment rate among young people is higher than the average unemployment rate
- many young people are tempted to seek a solution to the numerous problems that they are confronted with through emigration
- degradation of the educational situation of youth due to lack of resources from the family for financial support of their studies, especially for young people coming from disadvantaged groups

- increase of juvenile crime and decrease of debut age for offences.

People over 65 years old living alone represent 4.2% of the country population (Eurostat data for 2011). The lone elderly are considered a vulnerable group especially from the perspective of access to medical services and care.

In Romania, as with the EU-27 level, the risk of monetary poverty for lone elderly people is slightly higher compared to the level of the general population (25.4% compared to 22.2% at the national level). However, the poverty risk for this population group has decreased after 2007 (when a 44% rate was recorded), especially as a result of the increase in the level of pensions in 2008 and of the introduction of the social pension in 2009.

The economic and social crisis resented in Europe has affected all vulnerable groups and especially women. **Romania has also been confronted with a series of challenges related to the active and balanced participation of women and men to the public life:**

- persistence of some gaps between women in men in terms of employment and wages;
- low level of representation for women throughout the process of designing, adopting and applying the social, economic and political decisions;
- difficulties in achieving a proper balance between the private life, family life and the professional one;
- perpetuation of gender stereotypes and a low level of understanding for the role that the observance of the gender equality principle may play in overcoming the crisis and in consolidating a sustainable democratic society;
- changes on the political stage that have affected the implementation of public policies and the proper operation of national mechanisms in this field.

Future challenges and issues in the above mentioned areas that could be dealt with in a New Urban Agenda

A New Urban Agenda should contribute to a new definition of urban areas so that these should cover the complexity of functions fulfilled by urban agglomerations. Thus, even if the urban population, according to statistical data, represents 55% of the Romanian population, according to the World Bank data, the urban environment concentrates over 65% of the country population, if we take into consideration the population living in the metropolitan area interacting with the nucleus city.

It is essential for active measures such as vocational training and temporary employment to target young people, people with a low level of training and unskilled workers, who work as unregistered employees or who are working in the subsistence-type of agriculture in their own household, especially in the rural area and in small towns.

Due to a dependency ration of 1.2 retired persons for each employee contributing to the pension fund, with a high, unjustified share of disability-based retired people, with major imbalances introduced by the special vocational pensions that are not contributing to the pension fund, with the certainty of a sudden decrease in the number of young people joining the labour market and contributing to the system for the next decades, Romania finds itself in one of the most difficult situations in the EU, and the pension system shall represent the touchstone for each and every government from now on.

More lines of action are required, that are meant to promote and strengthen equal opportunities and equal treatment between women and men in the labour market. Also, the establishment of the Guaranteed Social Package for Education shall guarantee equal

opportunities, no matter the social status of the family where the child is coming from, his/her gender, religion, ethnicity, psychomotor skills, etc. while the Second Chance through Education programme guarantees for equal opportunities and the elimination of any form of discrimination.

II. Land and Urban planning issues and challenges for a New Urban Agenda

Ensuring sustainable urban planning and design

A sustainable planning and design process is aimed at avoiding conflicts between the needs for economic growth, housing, accessibility and environmental sustainability. The organisation of the urban space directly impacts on human behaviour and significantly influences social, economic and environmental processes.

The historical development of urban spaces marked the make up of Romanian towns, with a major change taking place in the Communist period when a number of urban functions were developed - complementary to the industrial development promoted at the time - in which the aesthetic development was replaced with the functionalist one.

This was also a time when the urban population exploded as a result of migration from rural areas (in the context of aggressive industrialisation), leading to the alteration of urban culture and civic spirit, as well as to indifference to the public space. The period after 1989 - in full process of decentralisation and major economic changes - ushered in a new approach to urban development that was also impacted upon by the population's tendency to migrate to towns' outskirts, also influencing the urban design and landscape.

In this context in which the real property market is focused on the urban outskirts, the town centres have become unattractive, the buildings have degraded and the planning and building principle (man was replaced by the car and towns are planned based on this) favours streets and parking lots to the detriment of pavements or pedestrian areas. This territorial expansion of the towns also generated dependency on the automobile. Romanian towns are confronted with a significant urban expansion phenomenon that results in a shift of the poles of interest from the town centre to the outskirts - e.g. the North area of Bucharest -, the emergence of new traffic flows and jams, higher energy consumption, but also in social segregation - isolation of individuals - thus denying the intrinsic function of a town.

The town watercourses being ignored is a major issue in as far as the urban image and structure are concerned. Though they have huge potential for individualising the urban space, for leisure activities, for ensuring an optimal urban climate, for providing transportation solutions or for energy, the watercourses are not receiving sufficient attention from the local governments (though in other countries such areas are subject to architecture and urbanism competitions).

Over the past years changes have occurred in the approach to urban planning - in search for increased community participation, an integrated approach, more attention given to public and pedestrian areas - and towns have begun to regain their rightful position as creativity centres, with urban spaces hosting various cultural initiatives. Furthermore, following the rehabilitation of towns' historic centres (an ever more present development in Romania's towns), the population has become noticeably more interested in these areas that have become extremely attractive.

The European Funds afforded a great opportunity for urban development in this period (in particular Axis 1 of the POR - Urban Development, alongside other programmes that financed urban projects), making possible the implementation of several projects that placed the Romanian towns in a competitiveness context where everyone is interested in increasing attractiveness for investors, tourists and skilled workforce.

Improving the urban land management, including addressing urban sprawl

According to the ESPON surveys, almost the entire Romanian territory must meet two challenges that are essential for remaining competitive in the European market: population decrease and uncontrolled urban expansion.

Urban sprawl is the uncontrolled, unplanned and scattered urban development to the outskirts of towns. This phrase is used in reference to the expansive, rapid and sometimes unjustified growth of the great built-up areas. Urban *sprawl* is defined by a number of land use models, such as mono-functional use of the land (commercial, residential or industrial area), areas with communities entirely dependent on the automobile, areas of low land use density, but with large scale developments compared to older areas (wider roads, great commercial centres with huge parking areas) and poor design diversity that sometimes generate the feeling of an uniform urban environment. Whether we are looking at a macro-territorial scale (at town level) or at a micro scale (at neighbourhood or area level), the typical features of areas where urban sprawl is present are:

1. Development of mono-functional areas, whether residential, commercial or business. This also contributes to the uniformization and anonymization of the area - tens of standard homes are built with disregard to the area particularities and the specificity and features of each owner;
2. Low population density areas. In this case, we see individual homes with large land plots, meaning high land consumption;
3. Areas with automobile-dependent communities. These areas developed organically and unplanned by the local administration. As a result, these developments do not follow public transportation routes and the only means of transportation available is the car which, in this case, is needed by all the members of the family, thus generating significant problems for the elderly and the children. In these areas the focus goes on providing the required parking and manoeuvre space for cars, in most cases overlooking the importance of the pedestrians and the spaces they use.
4. Developments initiated by the private sector with low or no involvement of the public sector. This is also the explanation for the absence of pedestrian, social contact areas. Since these are private projects, the investors will want to recuperate the investment and make a profit as quickly as possible. Therefore, they want to build as many houses as possible to sell or let, and knowingly ignore the traffic areas that do not bring in money directly. For the same reason, developments are in particular districts only, not in an integrated manner that would ensure outcome predictability. As a result we're seeing - in particular in Eastern countries - under-sized public areas, a trend that will further augment the traffic problems.

The move from an exceedingly centralised to an exceedingly decentralised system, the changes in the economic profile caused by the industrial downfall and the economic developments after 2002 were all occurrences bound to impact upon the spatial profile of Romanian localities.

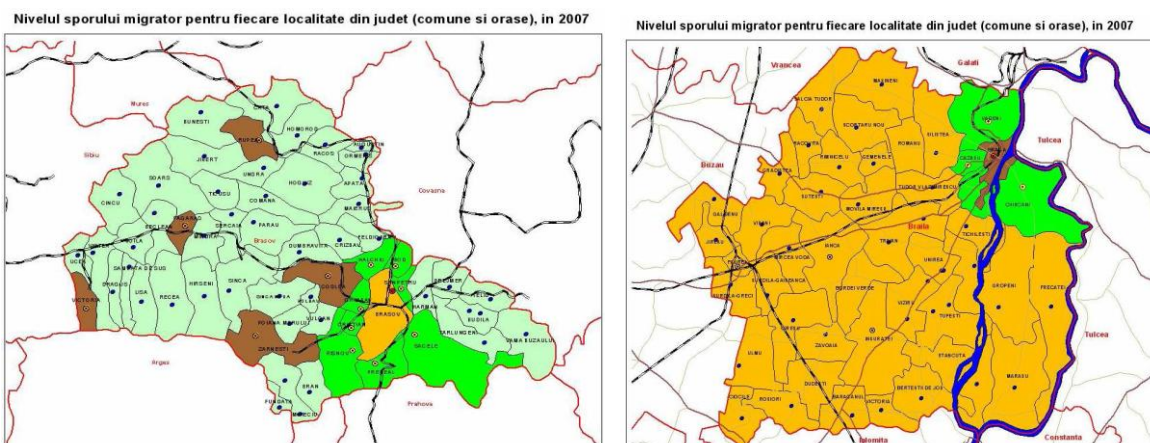


Figure 3 - Migratory increase - attraction of peri-urban area (Source: Methodology for Identifying the Coverage and Structure of Metropolitan areas in Romania)

Reviewing the relevant statistics for Romanian towns shows an uncontrolled expansion trend of the urban space that generates a number of negative aspects, including the damaging of the environment, irreversible land consumption and long distances leading to automobile dependency and generating significant traffic flows, as well as the decrease of transportation systems' efficiency and the quality of the environment.

In the period 1993-2010, the total built-up areas of towns in Romania increased by 87%. This growth was due to the expansion of the built-up areas in some existing towns and to communities being declared towns. It must be said that in this period the urban population decreased by more than 6% though some 60 new urban communities appeared in the same period.

Regional change in built-up areas	Total urban built-up area (ha)			Average urban built-up area (ha)		
	1993	2010	Change	1993	2010	Change
ROMANIA	226.777	424.626	87%	872	1.327	52%

Table 1 - Changes in the urban built-up area (Source: INS)

Highly informative are the examples of certain large cities, such as Bucharest, Cluj-Napoca, Iași, Timișoara, Craiova and Brașov, or of smaller towns, such as Mioveni (Argeș), Zărnești (Brașov), Bocșa (Caraș-Severin), Năvodari (Constanța), Titu (Dâmbovița), Buftea (Ilfov), Borșa (Maramureș), Sovata (Mureș) and Horezu (Vâlcea), in which the built-up area increased by more than 1.000 hectares, in the period from 1993 to 2010.

The reasons behind the decision to increase the built-up areas were various, most often though related to the expansion of the residential areas, development of commercial areas or industry parks located, most often than not, on the towns' outskirts and along the main communication ways.

At a regional level, the growth in the total built-up area of towns is more significant in the Bucharest-Ilfov Region followed by North-West, North-East and Centre Regions, all with increases above 100% in the period 1993-2010, whilst the Regions South-East, West and South saw the lowest growths, below 50%.

The increase by more than 170% in the Bucharest-Ilfov Region is also due to the increase in the number of towns in the Region, as well to the expansion of the built-up area of the two initial towns by more than 11.300 ha. The lowest increase, by only 32%, was in the South-East Region.

The findings of a questionnaire prepared by the MDRT in 2008 confirm the fact that the urban sprawl is typical for most towns in Romania. When asked which the factors that generated the urban sprawl were, 46 of the 226 respondent towns said that the most important factor was the pressure from real property development, 19 indicated economic operations and 136 stated that the basis for the expansion was a combination of the two former factors. In answer to how the sprawl looked at a macro-territorial scale, most towns (92) claimed the most frequent type is the scattered expansion; 47 indicated linear expansion along the main transportation axes, and only 20 towns pointed out the oil slick type expansion, in particular areas of interest from the peri-urban areas of towns.

MUNICIPII SI ORASE CARE SE CONFRUNTA CU FENOMENUL EXPANSIUNII URBANE

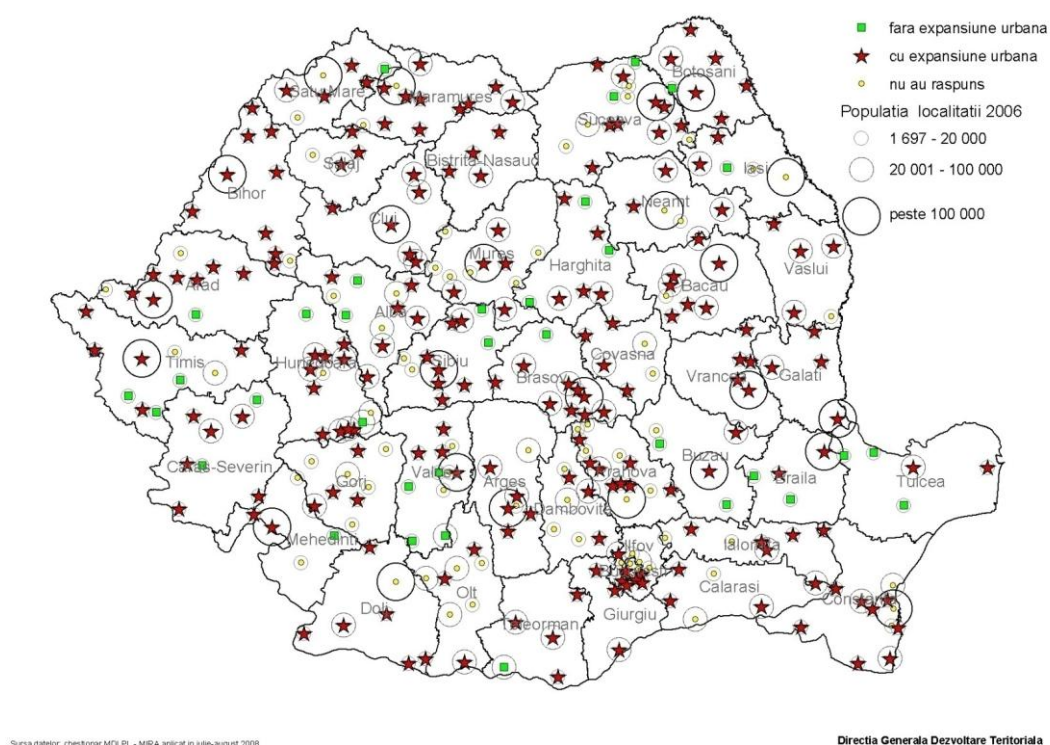


Figure 4 - Localities confronted with the urban sprawl phenomenon, findings of the MDRT Questionnaire of 2008

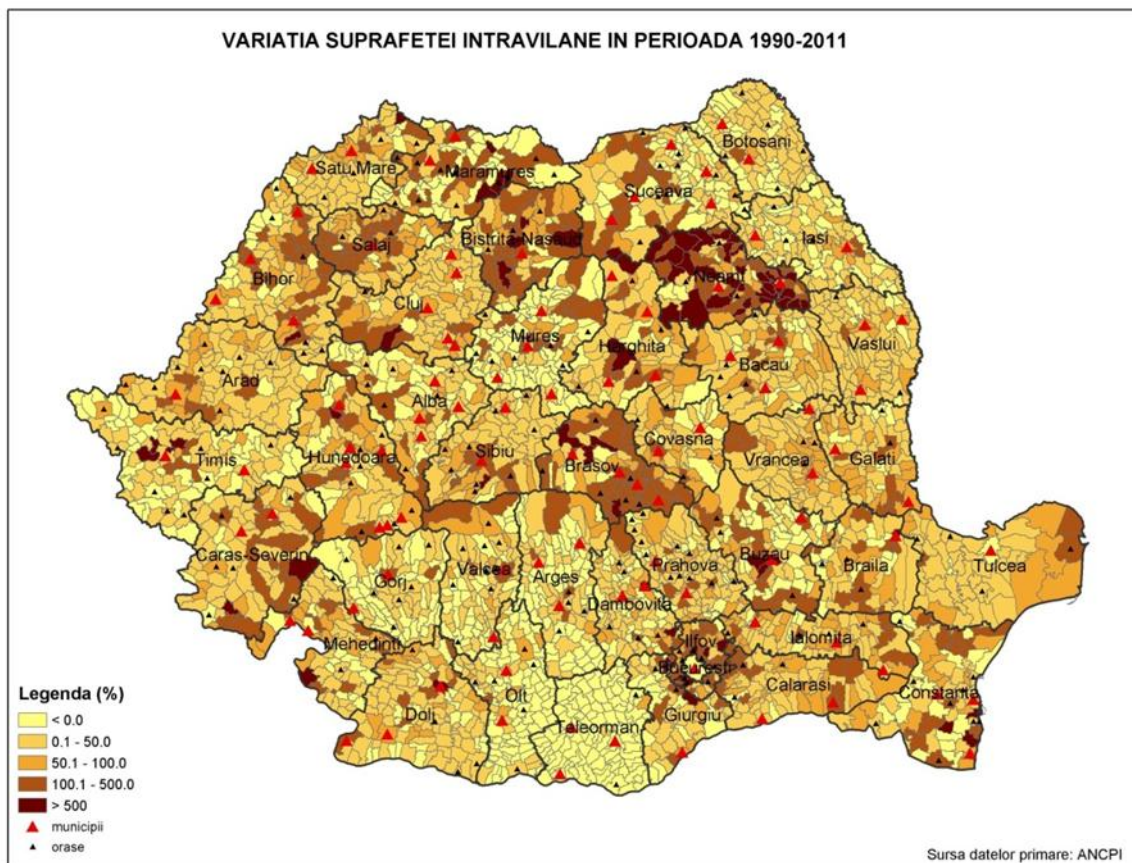


Figure 5 - The increase of built-up areas in percentages, data from ANCP

FENOMENE CARE AU GENERAT EXPANSIUNEA URBANA IN ORASELE ROMANESTI

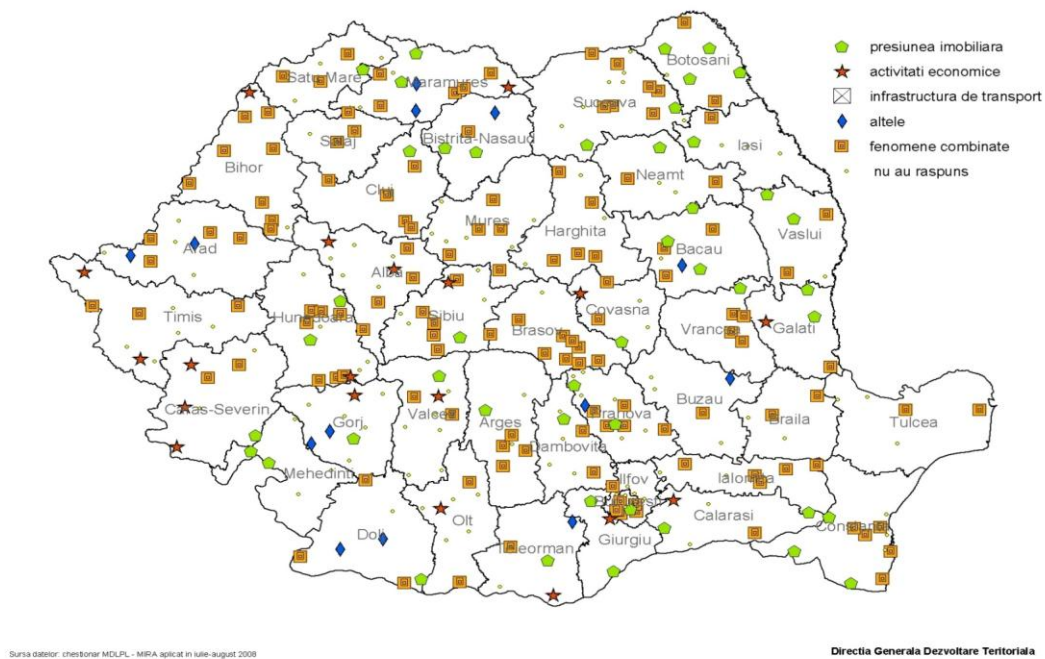


Figure 6 - Factors that caused urban sprawl, MDRT Questionnaire of 2008

TIPURI DE EXPANSIUNE URBANA IN ORASELE ROMANESTI

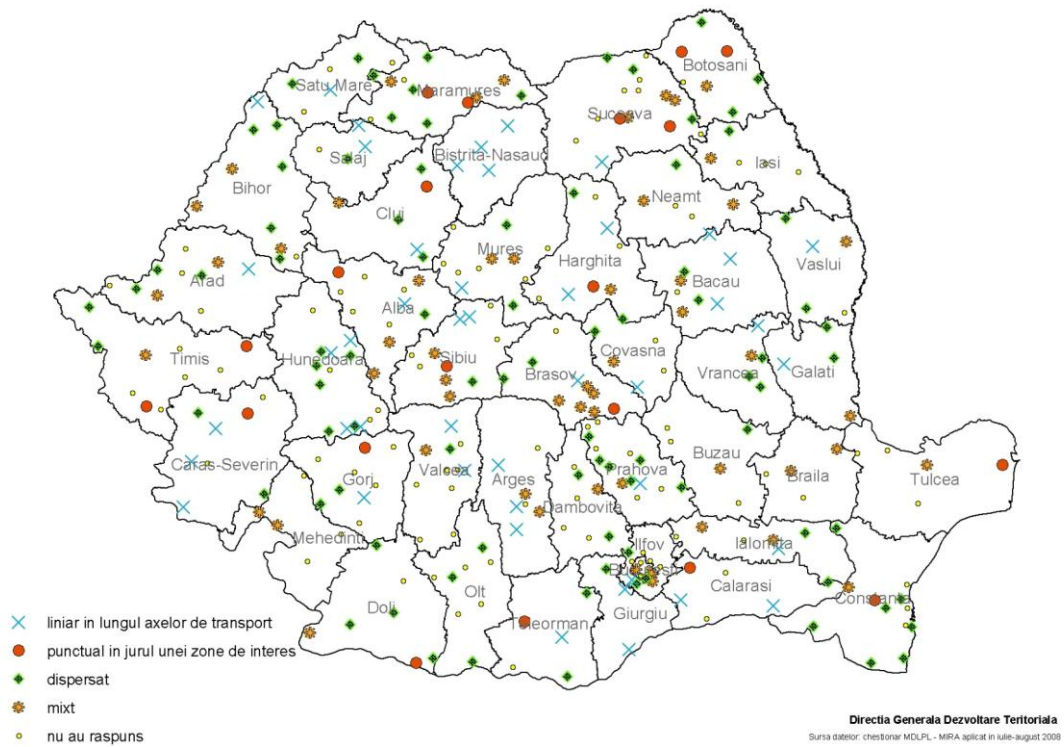


Figure 7 - Types of urban sprawl, MDRT Questionnaire of 2008

Enhancing urban and peri-urban food production

The agricultural activities carried out in towns are closely related to the structure of agricultural land, as the most accurate indicator of the towns' agricultural production potential. In the 80's, arable land covered significant areas in towns making up almost a third of their total area. Mountain towns have very large tracts of agricultural land, but with low, many a time negligible¹, fractions of arable land.

In a "classical" definition from the Romanian specialist literature, the peri-urban area (suburban, outskirts) is "the space around an urban centre, which is characterised by an activity closely connected to the latter"². The delineation of a peri-urban area is based on the relations between a town and its surrounding area (agricultural function, supply of raw materials and produce function, supply of work force function, industrial function, recreation and leisure function etc).

Supplying towns with fresh, high quality produce throughout the year was an objective of the agricultural policy in the socialist times, aiming at the development of industrial, forced crops and of giant greenhouses capable of providing the market with significant quantities of vegetables or flowers. They continued to operate for some years after 1990 and were subsequently abandoned by their owners.

As a result of the market demand, numerous plots of land cultivated with vegetables and greens exist in the peri-urban areas of large and smaller towns.

The best example is the Capital: the huge market provided by Bucharest is a determinant factor for the farming of plots of various sizes and ownerships, in the vicinity and within the town, totalling 5.334 hectares. The statistics indicate that the agriculture of Bucharest may be deemed to be subsistence farming where the farmers, confronted with the same problems for the past 10 years, cannot achieve a level of productivity that would ensure the development of their farms. On the contrary, they may abandon their lands, thus contributing to the increase of the unfarmed tracts of land³. The structure of the crops by occupied area is, in general, dominated by corn followed by fodder crops, sunflower, potatoes and vegetables, with small plots being cultivated with peas and beans, rapeseed, medicinal plants, tobacco etc. It must be noticed that the vegetables (grown both in the field and in heated and unheated greenhouses), the peas and potatoes are mainly cultivated by private farmers, a situation explainable by the producers' need to cover their own consumption needs and their capability to sell the produce more efficiently on the open market.

The first reason for farming mentioned by individual farmers is their need to cater for their own consumption needs (72.5% of the total investigated households) followed by their wish to eat healthier foods (22.5%).

In the Romanian polarising towns and rural communities fairs and food markets are organised regularly (even daily) where the farmers from neighbouring areas sell their produce.

The small farmers who want to sell their produce in vegetable markets, livestock markets or fairs must have an agricultural producer's certificate according to Law no 145/2014 for establishing measures to regulate the market of agricultural products. It is issued to individuals doing business in agriculture and certifying the quality of individual farmer.

¹ Ianoş I, (1987), *Oraşele şi organizarea spaţiului geografic*, Romanian Academy Publishing House

² Bădescu I., (2011), *Sociologie rurală*, Mica Valahie Publishing House

³ Dumitraşcu M. et al, (2005), *Implicaţii socio-economice şi agro-ambientale ale agriculturii din proximitatea aglomerărilor urbane*, Factori şi Procese Pedogenetice din Zona Temperată [Pedogenetic drivers and processes in the temperate zone]

Unfortunately, some experts state that the emergence and multiplication of supermarkets in towns impacted negatively on the small farmers selling their produce in agro-food markets. The closure of food processing industries located in towns also had a negative impact on urban agriculture. At the same time, the agricultural and arable land area sensibly decreased in the period 1990-2012.

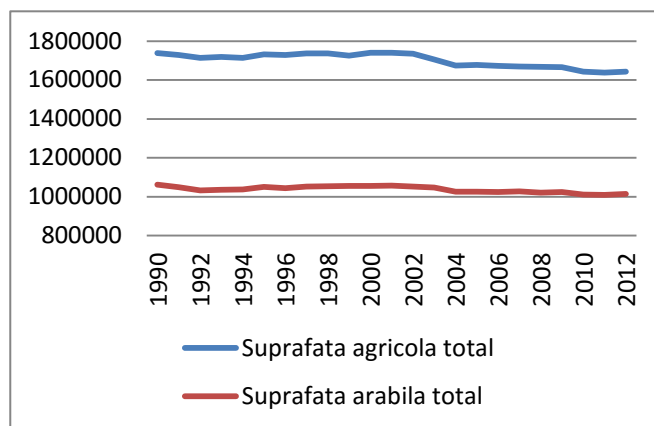


Figure 8. Evolution of agricultural and arable land in urban areas (ha) (Source: INS)

The mainly agricultural towns are included in the category of poor towns, since in Romania employment in agriculture brings along poverty. The weight of the agricultural function has decreased in the overall employment in small towns or in those located in areas of farming potential. These developments contributed to the ruralisation trend over the past 10-15 years, noticeable in the case of small and medium towns.

The urban communities (typically located in areas of specific farming traditions or specificity) where research centres operate in various fields of agricultural played an important role in the development of the farming sector before 1990 and may also continue to do so in the future.

The table below shows the occupation in agriculture in the Romanian urban areas:

Occupied population	total	15-64 years	15-24 years	25-34 years	35-44 years	45-54 years	55-64 years
Urban	5071490	5052821	269404	1531103	1629741	1135248	487325
Of which in agriculture, forestry, fishing	152562	141268	10952	28940	35774	33192	32410
%	3.01	2.80	4.07	1.89	2.20	2.92	6.65

Table 2. Occupation by age group, in urban areas, for 2011 (Source: INS)

In the context of urban farming by protecting and regenerating the environment, the initiative of the Romanian Association of Permaculture should be mentioned that has completed a project to develop a number of urban gardens using applied gardening methods in five large towns of Romania: Bucharest, Timisoara, Iasi, Brasov and Cluj-Napoca.

More than 55% of the agro-food industry of Romania and over 60% of processing is carried out in the urban areas. The existence of infrastructure, services and various opportunities required by the food industry led to investment being located mainly in urban areas.

Addressing urban mobility challenges

Urban mobility is a prerequisite for sustainable development of large towns and for their competitiveness. This is a current area of great interest, but is in a perpetual redesign process, and more so in Romania, a country still searching for positioning it in the overall planning system.

The continuing lack of planning coordination of spatial development and transportation systems - developed as separate fields - led in most situations to the overdevelopment of urban transportation infrastructures. Thus, the need is highlighted to correlate the various sector approaches to development (planning, investment, regulation, taxation, information) with a view to reducing the differences between the evolution of urbanity and the urban context.

On the background of the increased importance of the urban dimension, the apparition of functional urban areas as a result of the interaction between the urban and the rural factors, where new solutions are being explored to overcome the existing challenges, urban mobility is reasserted ever more often as a structuring field of urban development, ensuring the attractiveness of towns or, conversely, generating a number of dysfunctions in communities (contributing to the occurrence of social segregation, criminality, school drop-out etc), in those places where no remodelling and improvement action is taken.

Romania's adoption of the framework documents induces the need to ensure an integrated approach to urban planning of which urban mobility is an integral part.

Concurrently, for more than 20 years now, the Romanian planning system has been undergoing a continuous process of readaptation to the economic and social requirements, whilst urban mobility is still at an early development stage (the urban mobility plans have become compulsory for the local planning system as late as 2013 when Law 350/2001 for land and urban planning was amended).

Lately, with the benefit of European Funds, a number of projects have been implemented in the transportation infrastructure, in particular roads, including in urban areas. In the absence of integrated mobility plans, these investments aimed at decongesting the traffic and deal with individual issues, generated an increase in traffic and encouraged the use of personal vehicles, thus transforming the public space exclusively in a transit environment. Though promoting public transportation may provide many benefits to urban development (as illustrated by the example of many European towns), fairly few investments are made nationwide in this field. This issue is also caused by the lack of any significant interest in disseminating and debating this subject. The assessment of the need for investment is limited to cost-benefit analyses, without consideration to the overall benefits generated by such investments for the economic development, social cohesion and environmental protection.

In the future it is necessary to promote integrated approaches to the use of land and transportation (focused on public transportation, development of short distance transportation infrastructure or on limiting the use of private cars) that should be aimed at integrating the use of land and transportation support measures, with the focal points being public transportation, walking and cycling and regulating the use of cars and integration of interregional transport with the urban transport especially through rail transport mode enhancement.

Improving technical capacity to plan and manage cities

In compliance with Law 350/2001 for land and urban planning, as subsequently amended, the spatial management of the land is aimed at providing the individuals and groups with the right and responsibility of fair and efficient use of the land, adequate living conditions, working, services and transportation conditions that meet the various needs and resources of the population, reducing energy consumption, ensuring the protection of natural and man-made landscapes, preservation of biodiversity and generating ecological continuity, public security and sanitation, rationalising the demand for travelling, aesthetic and architectural quality, protecting the architectural and cultural identity of urban and rural communities.

The main tool in the management of the use of space is the general urban plan that has guiding and strategic, as well as regulatory character, forming the legal grounds for the implementation of development actions and plans. Each administrative-territorial unit is required to prepare and approve its general urban plan, updated no later than every 10 years.

In the context of urban data bases not having been completed and the lack of general cadastre, major difficulties exist in preparing/updating the urban documentation.

Qualitatively, because of the documents being so old, in particular in small and medium towns, there is a lack of strategic vision and a tendency to reduce everything to simple development rules. In very many cases, the towns' development strategies (even in the case of integrated urban development plans) are not properly correlated with the urban planning documents.

Currently, the method for preparing and implementing urban planning documentation is subject reviewed and revised, in line with the European regulations on integrated urban development and the requirements to implement the INSPIRE Directive.

The large cities (Timisoara, Cluj, Bucharest) are currently working on updating the general urban plan, based on an integrated, project based approach to urban development that can provide the strategic framework **required to prepare the 2014-2020 programming period.**

Another issue confronting the Romanian towns, in particular those in the south and east parts of the country is that the general cadastre does not exist neither in hard nor in electronic format. This situation results in many conflicts caused by plots of land overlapping, which, in turn, leads to property speculations and delays in the implementation of projects (in some cases, loss of financing). Furthermore, no clear records exist of the utilities networks, so that the approvals from the suppliers remain necessary, even though this slows down and burdens the preparation of urban plans or of building permit documents (also due to the large number of approvals required). In some situations, the ambiguities in the location of utilities networks and the lack of dialogue and cooperation between the utilities suppliers (water, sewerage, electricity, gas, fibre optic) and the local authorities cause damages not only to the urban image, but also to the financial efficiency of investments in the local infrastructure.

This aspect is required to be solved by promoting legislative provisions (including amendments to Law No. 50/1991 authorizing the execution of construction works) through which service providers have the obligation of making available to local authorities the exact situation of positioning networks, in such manner that the network location for which the notice is necessary should be enrolled, at the request of the location notices, in the urbanism certificate.

Challenges and lessons learnt in the above mentioned areas

In the context of the globalisation trend, urban design is a means to preserve and make the most of the towns' particularities and their representative buildings. The urban cultural landscape, the locus of the collective memory that provides the distinctive character to a town, has been profoundly assaulted due to the lack of integrated strategies or policies for the towns' protected areas or to the lack of vision in the urban projects. Many of the valuable buildings located in protected areas are not classed, and the buildings that are part of classed clusters of buildings are not individualised. All these issues lead to demolitions and speculations with the cleared land. Economic pressure has led to protected areas and town centres being subjected to aggression by architectural interventions that meet the immediate needs of the market, but are detrimental to a sustainable, long-term development strategy.

The assaults on the urban fabric do not only include new intrusions that are worthless, out-of-scale or made of contrasting materials, but also consist of poor repair or rehabilitation work on the façade of old buildings and the failure to use traditional methods and materials that define the image of the town that thus loses its initial spirit. Also, the aggression includes positioning technical and urban equipment, as well as street advertising materials on buildings and in public spaces.

Town planning should be done for humans, not for cars. The development of pedestrian and cycling routes should be encouraged and public transportation should be promoted, so that the urban environment might become more attractive. All the towns that have rehabilitated their old areas have enjoyed economic revival. In fact, in order to maintain the attractiveness of central areas, to reduce the number of commutations and their length, to ensure compact development of the towns, it is necessary that the central areas and the unused building compounds that occupy large tracts of land (large brownfield land) to be subject to urban regeneration operations.

Urban sprawl is a very complex occurrence, involving multiple aspects and stakeholders, and having extremely numerous effects. Uncontrolled urban expansion (urban sprawl) means the urban colonisation of rural areas, in particular of farming land. Though this is an un-planned process, it is not also a "natural", needs-based one, but rather an expression of speculative development supported by and exploiting particular needs of the population or of the industries.

Irrespective of the territorial scale, whether at a regional, town or neighbourhood level, urban sprawl generates, directly or indirectly, very high costs for local authorities and for the population. Economic is doubled by social loss, since the urban sprawl isolates, segregates and levels out individualities, promoting anonymity. Illustrating a fake dream of living in the midst of nature, the expansion transforms the new resident in nature's nemesis. By promoting private in the detriment of the public interests, the sprawl denies the very purpose of a town, namely to provide space for social contact, a functional and social mix, and pedestrian-scale built-up spaces.

The geographically distinct areas are extremely vulnerable by the tourism potential that develops there. The pressure in such areas consists of and is generated by the development of new residential areas. The risk is associated with the incapacity of the urban utilities networks, public transport and waste management system to take over and effectively service an ever increasing number of users. Moreover, it may be noticed that the areas with natural potential around urban centres are extremely vulnerable, being "hunted" by those who wish for a house in the middle of the nature. Due to its complexity, urban sprawl is not a mere incident associated with changing urbanisation trends, but an urban development model, albeit unsustainable.

In order to ensure a sustainable spatial development model, it is critical for the urban planning tools to be updated and correlated with the opportunities to attract European Funds. Also, an integrated approach is needed in addition to the development of strategic tools used for planning investments in towns.

Urban and peri-urban agriculture provides a source of subsistence for the low income population from small and medium towns located in the plains and for those living nearby larger towns. Towns provide a number of opportunities and advantages to local farmers, the most important being direct access to markets and consumers.

In order to encourage peri-urban agriculture, it is necessary to improve the sales of crops specific to a particular area, to develop the town infrastructure in view of improving the sales, leading to the town populace being better supplied with superior quality produce at good prices.

Future challenges and issues in the above areas that could be dealt with in a New Urban Agenda

In response to the challenges listed in this chapter, the Urban Agenda should promote an urban policy including:

- Making the most of the natural and cultural items of Romanian towns (urban regeneration in protected areas, rehabilitation of heritage buildings, rehabilitation of areas adjacent to water courses),
- Care for image - good quality public spaces and urban furniture; preserving the specific architecture;
- Compact development of towns, paying more attention to central areas, such as to limit the needs for urban expansion;
- Providing facilities and utilities to new developments (transportation, utilities, social amenities etc);
- Securing the agricultural hinterland around towns - use of local produce;
- Limiting transportation needs and use of private cars by promoting public transport,
- Promoting urban mobility plans,
- Developing integrated urban development strategies as basis for investments;
- Updating the urban plans to ensure sustainable use of land.

III. Issues and challenges of urbanisation and the environment in a New Urban Agenda

Addressing climate change

The Ministry of Environment, Waters and Forest developed Romania's National Strategy on Climate Change 2013-2020 (SNSC). In 2013, SNSC was approved by Government Decision no. 529/2013. The new Strategy approaches the climate change issue from two angles:

- reducing greenhouse gas emissions in view of achieving the agreed national targets;
- adapting to the effects of climate change, taking into account the European Union's policy on climate change and the relevant European documents.

At the end of 2015, the Ministry of Environment, Waters and Forests (MMAF) finalised the national Strategy on climate change and economic growth based on low carbon emissions (CRESC) and the National Action Plan 2016-2020 for climate change in accordance with the European policy on climate change (2020 Climate and Energy Package; 2030 Climate and Energy Package), as an update and extension until 2030 of the National Strategy on Climate Change (SNSC) 2013-2020, conducted in the light of recent developments.

The important criteria for classifying and evaluating the measures to mitigating and adapt to climate changes are the benefits, costs and risks associated with them. Risks should be taken into account both in terms of intensity (high, medium, low) and their respective nature (financial, institutional social technical etc.).

The green gas certificates trading scheme (dubbed "EU ETS"), regulated by Directive 2003/87/CE including subsequent amendments, was implemented in Romania starting with the 1st of January 2007, the date of Romania's accession to the European Union. In the period 2012-2013, at a national level, the legal framework was supplemented and improved by a number of acts, as required for the trade scheme for the third period.

At the Community level, the green gas monitoring and reporting methodology for the third trading period - namely 2013-2020 - is regulated in the Regulation no. 601/2012 including subsequent amendments, and the rules for free allocation of green gas emissions certificates are set forth in Decision no. 278/2011 including subsequent amendments.

The EU laws governing the green gas trading scheme for 2013-2020 provides that the companies (economic operators) that own/operate industrial plant covered by the scheme may receive CO₂ emissions certificates allocated "free of charge", to cover the CO₂ emissions generated by their production operations. The certificates are allocated by the European Commission based on allocation criteria applicable to all Member States and on benchmarks established by the European Commission in reference to the best performing industrial plants in the EU in the period 2007-2008 in terms of green gas emissions.

Starting with the third trading period 2013-2020, other operations were included in the EU ETS, such as: production of ammonia, nitric acid, bulk chemicals, and aluminium. In 2013, 200 plants authorised to carry out operations generating CO₂ or CO₂ equivalent emissions were included in the ETS scheme.

In compliance with the Kyoto Protocol, Romania undertook to cut back green gas emissions by 8% in the period 2008-2012, taking the emission levels of 1989 as a benchmark.

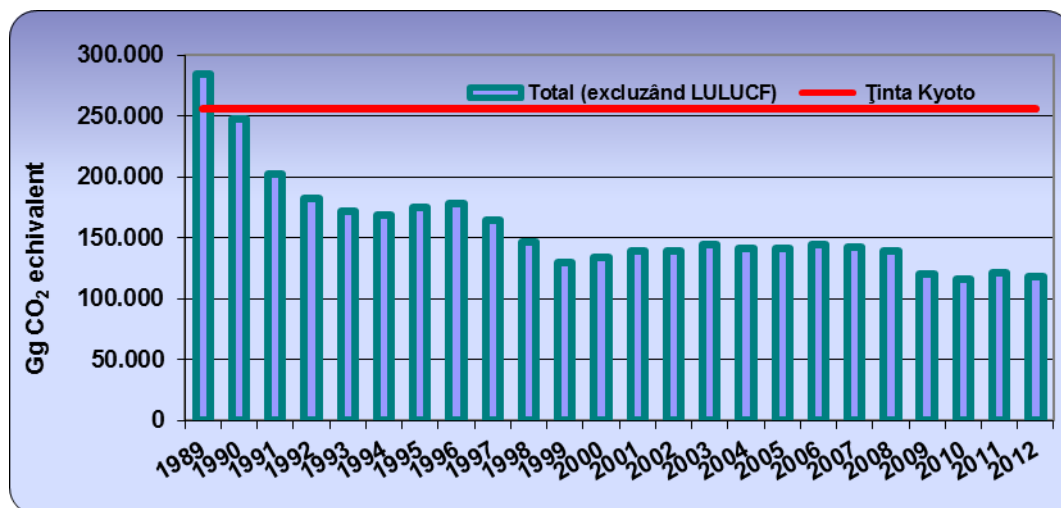


Figure 9. Total green gas emissions 1989-2012 (exclusive of LULUCF)

Yearly since 2002, Romania has been submitting the *National Inventory of Green gas Emissions* (INEGES) to the Secretariat of the United Nations' Framework Convention on Climate Changes (UNFCCC), prepared in compliance with the IPCC method, and using the common reporting format. In May 2014, the latest *National Inventory of Green gas Emissions of Romania* was submitted and it includes the projected green gas emission/retention by sequestration for the period 1989-2012.

The most important green gas is *carbon dioxide (CO₂)*. The decrease of CO₂ from 207.007,45 thousand tonnes in 1989 to 83.860,59 thousand tonnes in 2012 is due to the reduction in the consumption of fossil fuels in power generation, in particular in electricity and heat generation for the public sector and in the processing and construction industry, as a consequence of these industries having significantly downsized.

Disaster risk reduction

Over the past decade, Romania has been confronted with numerous emergencies. Repeated floods, forest fires and droughts caused significant losses and damages in the entire country. In some situations, the national response capacity was overcome by the size of the disasters.

Romania is mainly affected by two types of risks:

- **Risks caused or augmented by climate changes** (floods, draughts, forest fires).
- **Natural and man-made disasters** (earthquakes, landslides, coast-line erosion, nuclear/radiological, chemical accidents, transportation of dangerous materials).

In Romania, when there is 1% probability of flooding, approximately 1.4 million hectares are exposed to risks (inland rivers and the Danube), with the possibility of affecting about 830.000 inhabitants.

The results obtained by realising hazard and risk maps for floods, supposing the average scenario for flooding (floods with an average comeback period of one time in 100 years), showed that ca. 4% of the total Romanian population is situated in floodable areas (population distributed in approximately 3550 localities).

To be noted, however, that these localities are not totally exposed to floods, but in different proportions, from case to case. On average, only 10% of the area of the localities

that are exposed to flood risk is placed in the floodable area. But, for example, almost 250 localities from the 3550 identified have more than ½ built area placed in the floodable area and a number of ca. 110 localities have more than ¾ built area in floodable areas.

The large floods of 2005 and 2006 had a particular impact on the population, including loss of life, damaged infrastructure and loss of private property.

The risk management national strategy for medium and long term floods, approved by Government Decision No. 846/2010, proposes a series of quantifiable targets by 2035, among which:

- gradual reducing of potential floodable areas for high floods with flows with exceedance probability of 1% with 61% compared to 2006, mandatory to be followed by compensatory measures for retaining appropriate water volumes,
- reducing the number of persons exposed to potential flooding risk at high floods with flows with exceedance probability of 1% with circa 62% compared to 2006,
- reducing the social vulnerability of communities exposed to floods - 50% in 10 years up to 75% in a long term of 30 years.

The requirements of the Floods Directive 2007/60/EC implemented so far, are:

- the preliminary assessment of flood risks (identifying significant historical floods and the areas of potential significant flood risk - APSFR),
- the development of flood hazard and flood risk maps (maps elaborated for APSFR).

The development of the first Flood Risk Management Plan is practically the completion of the 3rd phase of reporting and, at the same time, the achievement of Romania's obligations resulted from the tasks undertaken for implementing the provisions of Directive 2007/60/EC on the assessment and management of flood risks, transposed into the national legislation by the Water Law No. 107/1996 including subsequent amendments and additions. The flood risk management plan is a planning document for flood risk management measures having as priority the reduction of flood effects, measures that are to be realised in the period 2016-2021 by each institution with attributions in this field, for reducing flood risks at the level of every hydrographic basin. The Catalogue of possible measures has been elaborated, at national level, within the Flood Risk Management Plan. The 23 types of measures follow the five action domains tightly connected with flood risk management cycle: Protection; Prevention; Training; Flood risk awareness; Rehabilitation/Reconstruction.

The flood risk management plans take into account relevant aspects for risk reducing, like costs and benefits, flood extent and their routes and the areas that have the potential to retain flood water, like major river beds with natural retention, environment objectives in Article 4 in Directive 2000/60/EC, soil and water management, spatial planning, land use, nature conservation and port and navigation infrastructure. The management plans may also include the promotion of sustainable land use practices, improvement of water retention capacity, as well as controlled floods of some areas in case of flooding.

Alongside the losses caused to agriculture, droughts significantly impact on other economic fields, impacting upon the reliability of public water supply and power generation in the affected regions. In 2012, because of the low water level, the planned hydropower generation for 2012 was cut back by some 2,277 GWh. Furthermore, the Danube low water levels within Cernavodă area negatively impact on the cooling capacity of the Romanian nuclear power plant from Cernavodă, leading to low operational and exploitation capacity.

More than 35 large towns, 80 small towns, 900 villages and 7 drainage areas totalling 539,589 hectares (2.26% of the Romanian territory) are estimated to be at risk of landslides.

Earthquakes are one of the most significant natural hazards in Romania. They have the potential to cause significant losses and damage to buildings and infrastructure. The impact of the last major earthquake (4th of March 1977) was 1,570 dead, 11 300 wounded, 35,000 dislocated families, 32,900 damaged buildings, and more than 2 billion USD in financial losses.

The National Emergency Management System is organized by the public administration authorities and consists of a network of multistakeholders and bodies qualified in emergency management, built on levels or areas of expertise, who has the infrastructure and resources needed in order to perform its duties. The system is composed of Committees for Emergency Situations, the General Inspectorate for Emergency Situations (GIES), professional community public services for emergency, operative centers and on site commander. GIES as a specialized body subordinated to MIA provides uniform and permanent coordination of prevention and management of emergencies activities. GIES ensures the Technical Secretariat for the National Committee for Emergency Situations, through the national operational center and provides, according to legal competences, cooperation and representation at national level in the areas of civil protection, fire protection and emergency management. In terms of risk assessment and risk prevention nationwide, these areas are distributed to ministries and other public central authorities, depending on the types of risk and powers conferred by law.

The project to develop a National Platform for Mitigation of Disaster Risks prepared by MAI is currently pending endorsement. Its main goal is to reduce the outcomes of disasters in terms of loss of human life. One of the strategic objectives of the Platform is to integrate disaster risk mitigation with the sustainable development policies and plans. Moreover, the purpose is to develop and strengthen the relevant agencies with responsibilities in this area, as well as the established mechanisms and the intervention capabilities. The project rationale states that it is aimed directly at protecting the communities living in or around areas prone to disasters and that may be affected in case of calamities.

Last, but not least, with a view to ensuring sustainable territorial development, the provisions of the Seveso Directives have been translated into the Romanian laws, for the purpose of securing safety areas around the locations where dangerous substances are being stored or processed.

Reducing traffic congestion

Lately, an accentuated tendency became manifest in the large urban agglomerations of Romania for the local population to migrate to the suburbs, with the population density increasing mainly in the satellite towns of the large urban centres. Concurrently, the rise in the price of land and property in towns causes the residential areas to move to areas with less amenities and accessibility, leading to the formation of automobile-dependent communities.

This sub-urbanisation process changes monocentric urban areas into a polycentric system of conurbations and increases the number of individual motorised commuters.

As a result, traffic congestion reoccurs in urban areas as a result of the population's need to commute from the outskirts to the urban centre, thus overusing the road networks.

In view of these trends, tackling and dealing with suburban mobility has become a major challenge for today's towns, these changes generating major implications on the supply of road traffic services.

Among the large urban agglomerations, Bucharest stands out since, including its metropolitan area, it concentrates some 20% of the country's population and contributes 25% of the total national economy. Its urban transportation system is complex, including a variety of means of transportation, from private to public and underground transportation, and even non-motorized travelling options. The road network is 1820 km long and occupies 8.5% of the total urban area of 228 km².

In the urban agglomeration, the public transportation system comprises an overground network with one of the highest densities in Europe (4th largest on the Continent), and an underground network including 4 lines in total length of 69.20 km.

As far as the need for daily mobility is concerned, around 4 million trips are made in the town every day. Some 1.6 million trips - accounting for more than 40% of the total - are made by private vehicles and some 4% by taxi. The remaining trips are covered by the public transportation network (in majority overground and mainly by buss).

Both the private and public bus transportation, with high road network density and overlapping routes, contribute to traffic congestion on the main city roads. The manner in which the road transportation network is used and the differing levels of congestion are also caused by the evolution of mobility needs from the suburbs to the centre.

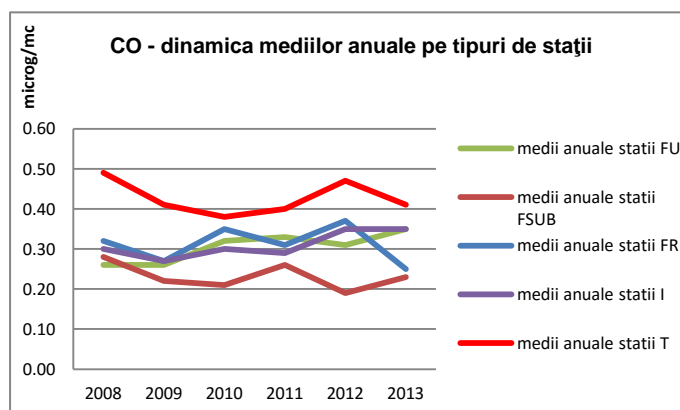
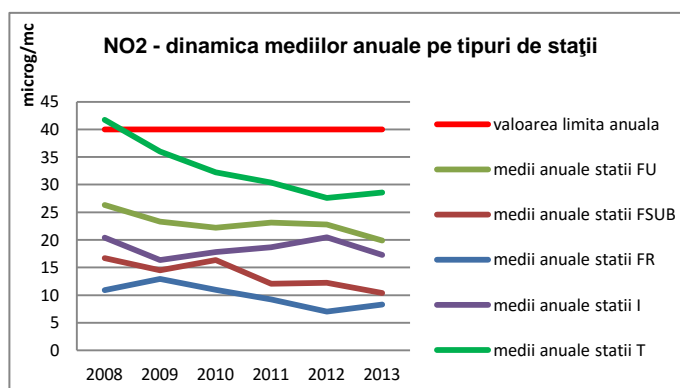
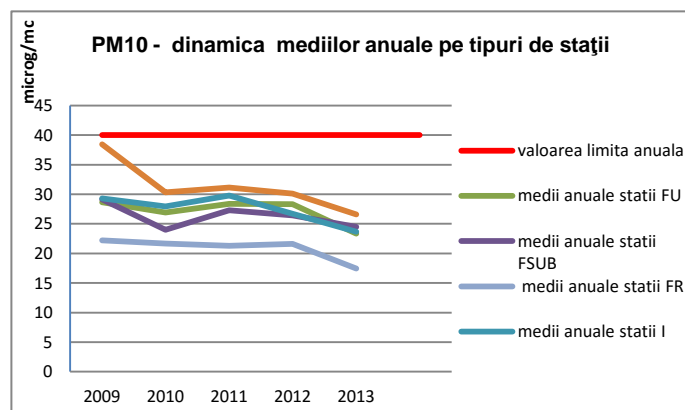
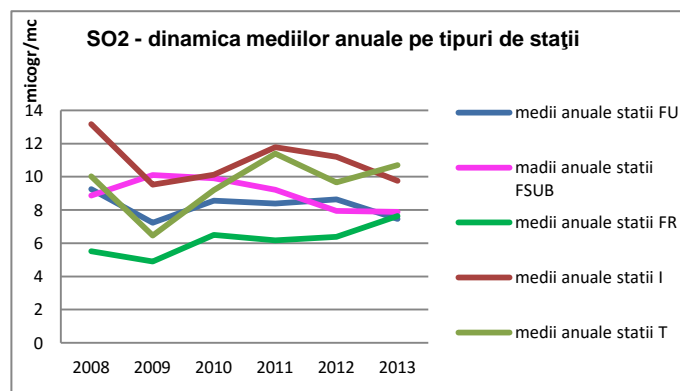
Nevertheless, the public transportation system has a positive impact on traffic congestions by attracting users of private transport to a quality, good frequency, safe and fast service, in particular on the major corridors where underground metropolitan transportation is completed by overground transportation. Thus, though it only covers 4% of the total urban public transportation network, the Bucharest metro succeeds in attracting 22% of the mobility needs in the city, significantly contributing to easing the traffic on major roads. Given its high density, the overground transportation attracts 78% of the urban mobility needs.

The metro carries more than 600,000 persons a day whilst the overground transportation takes more than 1.7 million persons. Notwithstanding the above, urban mobility by private motor vehicles is continuously growing, proportionally with the increasing number of motor vehicles and the migration towards the fringes of the urban agglomeration where the public transportation network is virtually inaccessible.

Air pollution

In 2008, the National Air Quality Monitoring Network started operating at full capacity - 143 automated air quality monitoring stations, spread around the country. It supplies the local and national decision makers with valuable information on the air quality and pollution levels. Based on this data, air quality management programmes were initiated in the communities and areas where the limits established by the National and European environmental laws were exceeded, including specific measures to revert as soon as possible to optimal air quality.

The charts below show positive trends in the evolution of air quality since 2008:



Legend: FU=urban areas, FSUB=suburban areas, FR= rural/regional areas, I=industrial, T=transport

Challenges and lessons learnt in the above mentioned areas

The best alternatives to the growing use of automobiles in towns is to increase the functional mix, reduce travelling needs and promote public transportation and the use of non-motorized vehicles.

Nevertheless, the urban transportation system is complex and includes a range of overground and underground means of transportation of high or low capacity and speed. Its overall efficiency is conditional on the rational correlation of these varied means of transportation and on configuring routes that allow continuous trips. This can be achieved by developing intermodal connections from suburbs to the inner areas of towns.

Also, a sensible measure to decongest the traffic is to reorganise the public transportations system such as to service the new polarisation areas around towns and to limit the overlaps in the PT routes.

Decongesting the traffic can be achieved by a set of policies and actions involving all the urban stakeholders, from the civil society to public authorities. In all these efforts, the public transportation system and its adaptation to the continuous changes in the mobility needs should play a critical role. Environmentally friendly, fast and safe, underground metropolitan transportation is the alternative to the use of private motor vehicles, providing the advantages of a quality service with a positive impact on the urban agglomeration and relieving the overground transportation network.

The total green gas emissions (exclusive of contribution) have decreased in 2012 by 58.34% compared to the 1989. Consequently, a high level of probability exists that Romania might meet its obligations to cut down green gas emissions in the 2008-2012 programming period, without taking further actions to reduce emissions.

One of the measures required at national level concerns the insurance systems. The risks posed by climate changes differ from country to country or region to region and the economic differences between countries should be coherently considered. This should ensure convergence based on the economic development required by each Member State. The increased occurrence of extreme weather conditions (floods, droughts, heat waves etc.) shall impact on the demand for insurance services and may demand the use of innovative insurance tools, such as the weather-based insurance index. From this point of view, insurance may be seen as a measure to tackle climate change and to manage the calamity risks. If well designed, the insurance system could have a positive impact leading to increased awareness and control of disasters as grounds for adapting and financial actions and decisions. It is subject to testing and evaluation.

Lately, an increase has become visible in the occurrence of risk factors threatening the population's life and health, the environment and the national heritage. Also, new risk factors have appeared, mainly generated by the radical climate changes and the diversification of industries that use, produce and sell dangerous substances/materials. National security may be endangered by serious geophysical, weather or associated phenomena or by hazardous human activities. (...) An integrated approach is required aimed at preventing all emergencies, starting from the basic concept whereby prevention is eight times more efficient than reaction.

Future challenges and issues in the above mentioned areas that could be dealt with in a New Urban Agenda

For the future, it is necessary to take:

- Measures contributing to the reduction of GES, such as the maximum GES concentration in the air might not exceed the level from which global warming may generate irreversible climate changes;
- Required actions to cut back GES emissions and set the basis for a low carbon economy;
- Measures and actions to raise public awareness on the impact of and adaptation to climate change;
- Measures that equally contribute to improving air quality, human health, energy security and that ensure the diversification of new energy markets opportunities;
- Policies and measures aimed at cutting back GES emissions, though this approach involves high costs and changes in many aspects of the existing production and consume patterns.

At the national level, it is necessary to set up a system to implement, monitor and evaluate the actions taken to tackle climate changes, by developing a method and designing a monitoring, reporting and verification system, which represents an essential step in the adaptation process. We are still at a relatively early stage in the process of implementing the adaptation policies and measures. Therefore, it is necessary that we understand and learn how the actions to adapt to climate changes work, their context and motivation. Developing a coherent set of indicators is another measure that must be considered.

Measures are necessary to improve Romania's prediction and reaction capacity to extreme natural or man-made emergencies; improve Romania's adapting capability and resilience to the negative effects of climate changes and, in particular, to the increased incidence of extreme heat waves, droughts and floods, as part of the National Strategy on Climate Change; improve Romania's adaptation and resilience to other natural risks; use public investment projects to adapt to climate changes by developing new markets potentially open to SMEs and social companies, in particular in the less developed and the rural areas of Romania.

IV. Urban governance and legislation: issues and challenges for a New Urban Agenda

Improving urban legislation

Moving from a centralised planning system to one guided by the economic development needs and based on local autonomy caused the regulatory system to undergo a process of reform and adaptation to the communities' actual needs.

To this effect, whilst in the period 1990-2000 the urban and land planning regulatory framework went through a stage of redefining and establishing minimal criteria, during the subsequent period it went through a revision process in view of its adaptation to a permanently shifting economic context and alignment to the European models.

Law no. 350/2001 for land and urban planning, as subsequently amended, is the main regulatory framework for spatial planning in Romania, an act that has directly influenced the definition of policies and practices of land and urban planning.

Law no. 350/2001 sets forth the principles, objectives, actions, tools and organisations that participate in the spatial planning system in Romania. A set of generic provisions are presented in the table below:

Art. 3: Land use planning should be:	Art. 4: Urban planning should be:
<i>a) “Global, aiming at coordinating various sector policies in an integrated manner;</i> <i>b) Functional, taking into account the natural and man-made environment, and based on shared values and interests;</i> <i>c) Prospective, analysing long term economic, environmental, social, and cultural development trends, as well as considering the above when deciding action to be taken;</i> <i>d) Democratic, ensuring the participation of the population and its representatives in the decision making process.”</i>	<i>a) “Operational, by detailing and defining on site the provisions of documents regulating land planning;</i> <i>b) Integrative, by synthesising sector policies on territorial management of settlements;</i> <i>c) Normative, by regulating the use of land, defining buildings’ purpose and size, including infrastructure, facilities and plantations.”</i>

Table 3 Principles of land use and urban planning, as per Law 350/2001-2011

According to Law no. 350/2001 for land and urban planning, as subsequently amended, spatial land management is aimed at ensuring the right and accountability for fair and efficient use of the land by individuals and communities, adequate living and working conditions, services and transportation that meet the various needs of the population, reduction of energy consumption, protection of natural and built landscapes, preservation of biodiversity and support environmental stability, public security and sanitation, rationalisation of travelling demand, aesthetic and architectural quality, protection of architectural and cultural identity of urban and rural communities.

Furthermore, H.G. no. 525/1996 approving the General Urban Planning Regulation establishes the framework contents of the local urban planning regulations, tools that control the use of land within towns and villages.

Another relevant act for spatial development - that has been subject to a number of amendments over the past years - is Law no. 50/1991 on the authorisation of building works. The Law establishes the procedure and requirements for the authorisation of building, demolition, decommissioning or dismantling works. Law No. 50/1991 must still be revised and reformed taking into account the actual share of infrastructural institutional progresses. This law, as currently formulated, specifically regulates the construction of buildings without very clearly defining the situation of authorising infrastructure works that cross several counties.

At a regional level, the main regulations are Law no. 351/2001 approving Section IV of the National Territory Management Plan - Towns and villages, and the Government Decision no. 1149/2008 amending HG 998/2008 designating the national growth centres where priority investments are made from Community and National funding. This latter act establishes the towns that are national growth centres, the criteria and opportunities for accessing funding, and the roles/responsibilities of each of the organisations involved. Law 351/2001 establishes the hierarchy of towns in Romania in view of developing a polycentric system of communities aimed at ensuring balanced nation-wide development.

Complementary to the acts mentioned above, a number of regulations exist that are aimed at harmonising the sector regulations (environmental, transport, defence, public administration etc) with those relevant to spatial development.

Decentralization and strengthening of local authorities

According to Law no. 215/2001 on the local public administration, public administration in territorial-administrative units is organised and operates based on the principles of decentralisation, local autonomy, devolution of public services, and election of local authorities, legality and citizen consultation for dealing with local issues of special interest.

Within the framework law on decentralisation nr. 195/2006 is provided the possibility of transfer of responsibilities and competencies, including including public power specific attributions from the central government to local government level with the respect of subsidiarity principle.

For the territorial-administrative units, the local authorities are the mayor, local councillors, chairman of the county council and county councillors. In the free exercise of their mandate, they carry out a public authority function. The local authorities through which local autonomy is exercised in communes of villages, towns and cities are the local, communal, town and city councils as deliberative authorities and the mayors, as executive authorities.

Decentralisation is based on the autonomy of local communities and emphasizes the goal of bringing public services closer to the citizens. In many of the urban local public authorities, in particular in small towns, the management capacity of these services is insufficient, either due to the lack of training of civil servants in town halls or to limited availability of resources.

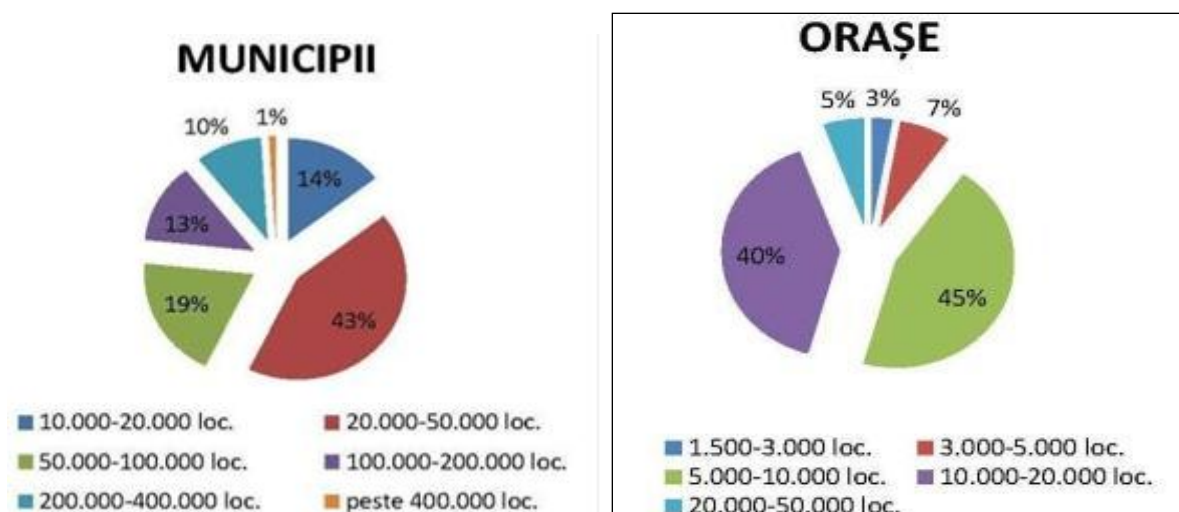


Figure 11. Number of inhabitants by type of urban UAT

The composite decentralisation index for Romania:

	Index	Average European index	Ranking
Administrative (12%)	37	47	15
Functional (25%) of which:	43	39	11
- Decision making	30	33	15
- Implementation	90	66	2
- Territorial	-	-	-
Political (20%)	54	49	11
Vertical (3%)	36	43	18
Financial (40%) of which:	40	47	21
- Qualitative	52	47	8
- Quantitative	30	46	23

Table 4 Decentralisation sub-indexes for Romania

Source: "From Subsidiarity to Success: The Impact of Decentralisation on Economic Growth - *Part 1: Creating a Decentralisation Index*"

Romanian Government intends to give new to the decentralization process in order to support and accelerate the modernization and reform of public administration, so this can be able to respond effectively to the demands of citizens and businesses, thus providing the prerequisites for balanced development of Romania. The areas analyzed in light of the decentralization process for the period 2015-2016 are: agriculture, culture, tourism, environment, health, education- school activities, youth and sport.

Decentralisation is a manner of organising regional public services subordinated to the central authorities (ministries). For instance, the urban public transportation service or the town sanitation are decentralised, in that they are provided under the coordination of the local councils (exclusive responsibility), whilst the culture or education public services are provided both deconcentrated - by the county inspectorates - and decentralised - by the institutions subordinated to the local council (shared responsibility) .

Providing services under shared responsibility is necessary due to the local authorities lacking the required resources to provide such services. Education and health services are provided on a shared responsibility basis by the local public authority and by the deconcentrated services.

The success of the decentralisation process and the full geographic coverage of decentralised services have been confronted with significant difficulties due to the differences in the development of administrative-territorial units. For such administrative-territorial units that are economically and socially well developed, the decentralisation process had a positive impact on future development trends. Thus, in some cases, county capitals or other small towns have gained a greater social-economic role than the entire county.

Improving participation and human rights in urban development

In 2011, the Public Information and Consultation Methodology for Preparing or Revising the Land and Urban Management Plans were published. The responsibility for informing and consulting the public on land and urban management plans lies with the local authorities.

The town halls have been required to prepare the Local Regulation on the public involvement in the development or revision of the urban plans. The minimum requirements for the contents of the local regulation are:

- Structure or persons responsible for coordinating public information and consultation on urban and/or land management planning;
- Sources for funding the information and consultation activities;
- Criteria for identifying target groups in view of information and consultation, for each type of plan;
- Manner in which and place where the public shall be afforded access to information and documents;
- Situations when it is deemed that the Regulation was breached and disciplinary action to be taken;

Public information and consultation shall take place in all development or revision stages of the urban plans and land management and is an intrinsic part of the procedure for initiating, developing, endorsing and approving urban and land management plans.

The public information and consultation process shall result in a public information and consultation report, which shall be submitted to the public authorities responsible for the approval of the plan alongside the full urban plan documentation. The public information and consultation report informs the public authorities' decision to approve or reject the proposed plan. Based on the public information and consultation report, the local/county/general council may request amendments or additions to the urban plans submitted for approval. After the approval by the council, the prefect shall be required verify compliance with the public information and consultation methodology.

By effect of Law no.350/2001, as subsequently amended, it is clear and unequivocal that public participation must be ensured all through the development of the urban and land management strategies and plans, by providing information, consultation and access to justice for the public, in compliance with the methodology established by the Ministry of Regional Development and Public Administration, and in correlation with the relevant procedure resulting from the environmental laws.

Article 5 of Law no. 350/2001 on land management and urban plans, as subsequently amended, stipulates that:

"(1) Public participation in land management and urban planning activities includes its involvement in all stages of land management and urban planning decision making process.

(2) Public participation means that the public it has the right to information, consultation and access to justice in relation to land management and urban planning activities, according to the law, all through the development of the urban and land management strategies and plans, by providing information, consultation and access to justice for the public, in compliance with the methodology established by the Ministry of Regional Development and Public Administration, and in correlation with the relevant procedure resulting from the environmental laws".

Moreover, in compliance with articles 57-61 of Law no. 350/2001, as subsequently amended, as well as with Order of Minister of regional development and tourism no. 2701/2010, as subsequently amended, the central and local public authorities are required to inform and consult the public in all stages of the development or revision of the urban and land management strategies and plans, for the purpose of protecting the general public interest and ensuring transparency of this process.

Furthermore, it is important to bear in mind that, in this context, the transparency requirement for the decision making process by the public administration is stated in Law no. 52/2003 concerning the decisional transparency in public administration, an act that institutes an obligation for the public authorities to inform the community beforehand, *ex officio*, on the issues of public interest that are to be discussed by the central or local public authorities, to consult the citizens and legally established associations in the process of drafting rules and regulations, as well as to allow citizens' participation in the making of administrative decisions.

Enhancing urban safety and security

In the period 2004 - 2013, the Romanian Police identified the following factors that impacted upon the urban safety and security:

1. In the area of road safety:

- Automobile fleet increased by 43,8%, reaching a total of 5,985,085 vehicles;
- Increased number of persons licensed to drive to 6,806,045 (by 31.6%);
- Increased number of mopeds on the roads (this risk was reduced by applying the Law no 203/2012 regarding traffic on public roads - mopeds were assimilated to vehicles and the right of a moped driving is given to a person who has obtained a driving license corresponding to the category in which the vehicle belongs;
- Partial, insufficient rehabilitation and modernisation of road infrastructure by the building of facilities for vulnerable participants in the traffic (pedestrians and cyclists);
- Implementation of the first video monitoring and automated traffic management systems;
- Intensification of preventative, informative and educative activities for the participants in the traffic, delivered by the authorities, mass-media and non-governmental organisations;
- Improved legislative framework on the traffic on public roads; revision and amendment of regulations for configuring crossroads;
- Development of new local agencies responsible for road safety and the control of public transportation of persons and goods;
- Improved emergency response with the introduction of the national single emergency call system 112;

- Development of data bases on road traffic accidents allowing more efficient documentation of preventing/fighting measures, based on the findings of the road traffic risk analysis.

In this context, 38,101 serious accidents took place in urban areas (43.66% of national total). Compared to 2004, when 619 persons died in 3,137 serious accidents occurred in urban areas in Romania, the number of road traffic deaths went down in 2013 by 25.36%, to 462 fatalities in 3,634 serious accidents.

However, despite this shortage, unlike other European Union member states, in Romania the largest number of severe road traffic accidents, severe injuries and deaths are recorded within the localities. Thus, in 2014 were registered 6508 severe accidents inside localities, while outside localities 1939 severe accidents. Therefore, measures should be implemented in the short, medium and long term to reduce this phenomenon, including by adopting the national strategy for improving road safety.

2. In the area of public order and safety:

- Implementation of proximity police concept, with the main purpose of increasing the citizens' safety by providing active and visible presence of proximity policemen in the communities;
- Increased number of proximity police (from 758 in 2005 to 2,390 currently) and diversifying interactions with the citizens;
- Law on the organisation and operation of local police coming into force; local police units have been set up in most towns, contributing ensuring public order and safety;
- Consolidation of order keeping and safety mechanisms by the implementation of an joint patrol system, including the police, gendarmes and border police;
- Setting up of the national single emergency call system 112 that makes it easier for the public to call for help in emergencies, so that that the police and other agencies may respond in optimal time to deal with the situations;
- Efficient involvement in providing optimal conditions for the training and education process;
- Preventative activities organised in schools; police present at school at student's arrival and departure and on the routes to and from home;
- Policemen assigned to schools; the policemen cooperate with the school management to identify the best measures required for ensuring the safety of the educational process;
- National programmes implemented, such as "Let's expel violence" that is aimed at providing the students with anti-criminality and anti-victimisation training; initiation of joint projects with international partners: Romanian-Dutch project MATRA 2006 - "Preventing juvenile criminality in school areas" (2006-2010), aimed at training the teachers and policemen in this field of expertise.

Improving social inclusion and equity

In compliance with the main objective of the strategy Europe 2020 Strategy "promoting social inclusion, in particular by combating poverty, by aiming to lift at least 20 million people out of the risk of poverty and exclusion", the national objective assumed in the PNR 2011-2013 is to reduce the number of persons at risk of poverty or social exclusion by 580,000 by 2020, representing a 15% decrease on 2008.

This objective can only be achieved by actions to ensure (increase) access to affordable, sustainable and quality services (e.g. housing, education, employment, health care, social assistance, integration in the information society etc.) for groups at a disproportionate risk

of social exclusion, such as low earners, long-term unemployed, children, youth under 25 years of age, persons above 55 years of age, persons with disabilities, migrants, Roma, homeless or persons released from prison.

The data on social affairs and inclusion (MMFPSPV, ASIS, 2013) show that:

- Absolute poverty decreased significantly between 2000 and 2009. Poor population decreased from 2.1 million in 2007 to some 939 thousand in 2009 (from 9.8% to 4.4% of the country population)⁴.
- Absolute poverty rate increased faster for children (0-17 years) and young (18-23 years) compared to the increase rate for all the other age groups (whilst the poverty rate for persons aged 60+ increased only by 8% in 2010 compared to 2009, the poverty rate among children increased by 29%). Furthermore, the developments in the rural areas have been the main source for the increase in the poverty rate, indicating that the welfare discrepancies between rural and urban have become more significant.
- The dominant form of poverty in Romania is severe material deprivation, affecting more than 29% of the population in 2011, compared to the EU-27 average of 8.1%.
- In as far as the relative poverty rate is concerned, the percentage of population with income below the poverty threshold has changed very little in the period 2005-2010 given that the threshold was increased year upon year, as the overall level of disposable income increased. However, 2010 was the first year when a slight decrease tendency appeared in the disposable income per adult-equivalent. In 2011, the relative poverty rate reached 22.2% of the population, placing Romania among the Member States with a high incidence of poverty risk.
- In 2011, 6.7% of the population live in households with very low work intensity, compared to the EU-27 average of 10%. However, approximately one out of ten children and one out of ten persons aged 18-59 live in households where no member is in employment.
- From a territorial perspective, the rural and small urban areas show significantly higher percentages of persons at risk of poverty or social exclusion. More than 71% of the poor population in Romania lives in rural communities.
- To a higher or lower extent, the poverty risk affects all the population categories. The poor are distributed in all the population categories, but mainly in the following: a) large households with children, in particular those with 3 or more children (households including 5 or more members account for some 55% of the poor); b) single parent families; c) children (0-17 years) and youth (18-24 years); d) persons with low education levels; e) informal workers, subsistence farmers; f) unemployed and housewives; g) the Roma ethnics.

The Ministry of Labour, Family, Social Protection and the Elderly intervenes for fighting poverty risk by the following programmes implemented by laws:

- **Social benefits programme** (guaranteed minimum income, calculated as a difference between the household's or single person's net monthly income and the monthly minimum income established by law)
- **Family support allowance programme**

⁴ MMFPS (2010) Research report on the social economy in Romania from a compared European perspective, the Social Economy Project, an innovative model for promoting active inclusion of disadvantaged groups, financed from SOPHRD.

- **Heating support programme**, implemented in the cold seasons
Support for families with children is also provided, thus:
- **Child benefit** allocated to all children up to 18 years of age, but also to young persons over 18 until the completion of their high-school or vocational education. For children with established disabilities, the benefit is doubled.
- **Child care allowance**. A new formula for granting the allowance **for children born after the 1st of January 2011** permits parents to opt for one of several allowance options for raising a child up to 2 or 3 years of age, in the case of disabled children. **Also included were the allowances and benefits for persons caring for disabled children aged 3-7 years and for disabled persons caring for children aged 0 - 7 years.**
- **Monthly placement allowance programme**, set up to provide financial support to families or private organisations taking children in placement. Granted from the national budget for each child in placement. This is a method for incentivising families to accept abandoned children in placement, providing them with the family environment necessary for harmonious growth and development.
- providing **social tickets** (50 RON/child) in order to increase the access and presence of disadvantaged children in pre-school education, financed from the state budget through sums deducted from the value added tax, allocated to the local budgets with this destination (Law 248/2015).

Challenges and lessons learnt in the above mentioned areas

The main issues in the decentralisation process can be summarised thus:

- ***Poor capacity of certain UATs** to provide the public services devolved as part of the decentralisation process (not only lack of financial capability, but also human resources). The UATs where the percentage of own income in the total income is high and those where the expenditure increased are the most vulnerable in terms of their capacity to provide good public services to local communities.*
- *The poor UATs capacity justifies the increased involvement of the central authorities in the supply of local services, leading to some **overlaps between the various local and national authorities** in terms of responsibilities for providing certain services.*
- ***Poor quality of public services** - this is a general problem caused by the inexistence of a monitoring and evaluation system of public services (in the programming period 2007-2012, very few projects were submitted and financed that were aimed at setting standards in the quality of public services).*

In the area of road traffic safety, the main challenges include:

- Implementing the new Smart Traffic Systems (STI) by generalising computer-based management, video surveillance and recording traffic offences;
- Dealing with the issue of insufficient parking places;
- Generalising modern means of separating traffic flows and protecting vulnerable categories (pedestrians and cyclists);
- Decongesting urban traffic by building ring roads that take over heavy haulage;
- Improving the efficiency of public transportation and facilitating travelling by allocating designated lanes, also available for use by emergency response vehicles.

In the area of public order and safety, the main challenges include:

- Identifying solutions for increasing the efficiency of prevention and fighting activities, by partnerships between the police and the local authorities;
- Entering partnerships with NGOs and improving public volunteer participation in partnerships with the police;
- Implementing infrastructure development and video monitoring programmes in areas where frequent offences are committed.

On the medium term, at national level, monitoring has been developing. On the roads of major urban agglomerations, traffic jams occur mainly at rush hours. Hence the challenges confronting public transportation are related to the following aspects:

- Though the urban roads capacity is theoretically sufficient, the inadequate use of roads, insufficient or absent ring roads to take over transit traffic, as well as poor road traffic management lead to road network congestions, both on the main roads and on secondary ones in the central area where public transport has high density.
- Inasmuch as public transportation in Bucharest is concerned, though good metro and tramway networks exist, the transportation supply is dominated by bus services that cover most of urban trips.
- Also, the latest urban developments encouraged residential areas to scatter towards/outside the urban area, away from the public transport routes, discouraging cycling, walking and the use of public transport and increasing dependency on private motor vehicles. Thus, the main challenge for the public transportation is to be adapted to the mobility needs, to design a flexible transportation offer, correlated with the new urban mobility axes.
- The traffic can only be decongested by the sustained efforts of all urban stakeholders and by understanding their role and impact on road traffic.
- A lesson learned is to approach traffic decongestion via an urban-wide, integrated strategy, part of a sustainable mobility plan, since sustainable planning is a powerful tool for rethinking traffic and more so road network management. Another lesson learned is to encourage stratification of the transport network starting from the backbone of a rapid rail transit system (the metro in Bucharest) and ranked transport systems, thus allowing the development of a competitive provision, eliminating competition between the means of transportation and encouraging increased efficiency of the urban public transport system.

Key issues in the social assistance system with an impact on social inclusion result from:

- Underfunding of the social assistance system
- Insufficient human resources
- Low level of professionalism of personnel
- Low wages in the social assistance system
- Poor and uneven geographical development of overall social services
- Insufficient development of prevention, identification and early intervention services provided by the referral systems
- Underdevelopment of community services and insufficient involvement of local stakeholders
- Lack of a public services outsourcing policy by the public authorities
- Difficult access to funding for non-governmental organisations working with vulnerable groups
- Difficulties in applying the principle of services integration at community level.

In 2015 it was approved the National Strategy for Social Inclusion and Poverty Reduction for the period 2015-2020, including the Strategic Action Plan for the period 2015-2020.

The Strategy objectives cover: (i) employment and labour market policies (developing the social economy sector); (ii) social protection (social assistance, social services and benefits, and pensions); (iii) protection of poor persons against increasing energy prices; (iv) education, health and housing; (v) fighting poverty in rural areas; (vi) tackling the regional dimension of poverty and social inclusion.

It should be highlighted the Flagship 4 - Improving the instruments to identify disadvantaged schools to ensure that all children receive equal opportunities (revising the financing methodology to improve the allocation of resources for the children in need, a clear and coherent framework to make sure that the money is used to provide effective interventions that will increase the access to education and will improve its quality for the vulnerable groups) - responsibility of Ministry of Education.

The Strategy on reducing early school leaving in Romania (GD 417/2015) provides:

- Measures to increase enrolment rates in early childhood education, primary and lower secondary education (a special attention given to early childhood education and to the education of children coming from disadvantaged groups, including Roma children).
- The improvement of the conditions and quality of the “School after school” (ȘDȘ) programmes offered to pupils in groups at risk (quality standards for remedial programmes and the authorisation of innovative approaches, scheme conjugated by subsidies, available to schools, local NGOs, community organisations and to parents / teachers associations.
- The support offered to the ones that left school prematurely to re-enter the education and training system, providing them with reintegration paths through which the children and the youths should acquire the necessary qualifications to occupy a position in the labour market (a better quality and a greater expansion of the “Second chance” type programmes).

In the Strategy for vocational education and training in Romania, for the period 2016-2020 (GD 317/2016), under the Strategic objective 2: Increasing the participation and facilitating the access to vocational training programmes, Line of action facilitating the access to vocational training programmes in the educational system for youths, focusing on the ones coming from vulnerable groups, ??? the following activities are foreseen:

Providing financial support for needs for accommodation and board of the youths in the rural environment and disadvantaged environments, Roma population, including the persons with disabilities and deficiencies, enrolled in vocational training through vocational education in school campuses / vocational and technical educational units;

Developing and implementing a national programme for providing the initial vocational training suppliers in the educational system, according to specific criteria, with means of transportation for moving students to the economic agents at which they carry out their internships;

Developing sheltered workshops and other training alternatives for providing access of students with disabilities or deficiencies to vocational training programmes which will ensure them a better socio-professional insertion, including the endowment with teaching instruments and assistive equipments;

Providing financial support to students in the vocational and technical educational system through the Vocational Scholarship programme.

Future challenges and issues in the above mentioned areas that could be dealt with in a New Urban Agenda

Although the urban plans should be act as key instruments for guiding urban development, not all towns use them to such purpose (Competitive Cities, 2013). The issue is that, once towns develop in a particular shape, it becomes very difficult to change that pattern. Therefore, good initial planning will ensure efficient planning in the future too. EU funded projects are a good opportunity to increase the role of spatial planning.

The future challenges for the transport sector continue to have in the forefront the increase in the private motorised transport, but focus on the behavioural component and the choice of transport by the urban population. An important aspect of future issues is the manner in which sustainable transportation routes will be supported and encouraged, in the detriment of private transport. It is critical that the major public transport network, namely rapid rail transit (metro, in the case of the metropolitan urban agglomeration), be extended on the main transit axes, ensuring connectivity of peri-urban/regional transport with the urban one. Also it is necessary to integrate the rail transport to urban transport based on the opportunity offered by the location of railway stations in central areas of cities.

A specific example is the need to promote road safety measures at level crossings, given the ever increasing number of accidents.

Thus, the development of a complete infrastructure for the major transport network, with interchange hubs and route son the major transit axes, is one of the issues that must be addressed in the future.

Concurrently, eliminating competition, creating an efficient and controlled public transport environment and integrating the network physically and in terms of fare prices (where multiple operators activate) are future issues for which efficient solutions must be found. In this way, all the above will ensure a balanced public transportation provision and eliminate the excessive strain placed on the road network by private transportation.

In the area of social inclusion, a future challenge is promoting social economy as a valid tool for providing jobs for the unemployed or disadvantaged groups, as well for including disadvantaged groups on the labour market. To all these, challenges are added to prevent domestic violence, provide services for the elderly and the disabled, and dealing with the issue of children whose parents migrate abroad for work.

V. Urban economy: issues and challenges for a New Urban Agenda

Improving municipal/local finances

Seen at territorial level, under the austerity conditions within which the local authorities currently operate in Romania, the local budgets' situation reveals great differences between the communities that cash in sufficient own income and those that cannot make do even for covering the community maintenance expenses. In this context, the current subject for numerous debates is balancing local budgets. The territorial gaps are also

reflected in the measures taken by the local authorities. Certain local authorities take extreme measures, for instance not using the balancing of local budgets (the case of local authorities that gave enough money to cover their expenditure).

The administration's capacity to generate income pertinently reflects the performance of the team that manages local activities and depicts the real situation of local budget implementation in the regions.

2006 was a landmark year, when the Law no.273/2006 of local public finances was passed. This Law including subsequent amendments and additions sets forth the operating formula and criteria for allocating the income tax quotas in balancing of local budgets.

After 2001, the local authorities started being concerned about their financial self-support capability - the main purpose of the national government's intentions. This concern is explicable if we consider the 2001 experience of local authorities, when they were assigned new responsibilities (mainly in education and social assistance) without being first allocated the necessary funds and without the required management training for local decision makers.

In the period 2002-2004, the indicator showing the administration's capacity to generate income is in the range between 13% - 37%. Starting in 2004, the situation changes dramatically. First, an increase occurs in the administration's capacity to generate income in all counties. The variation ranges for this indicator are 21% - 75%, compared to 13% - 37% in 2002. Secondly, the highest levels are associated with the large urban centres. The year 2012 shows an increase in the administration's capacity to generate income in the large urban centres. The highest value for this indicator is in Bucharest, where it reaches 73.90%.

Strengthening and improving access to financing to housing finance

According to the National Strategy for the Young (public debate), the living standards of the young is strongly impacted upon by the lack of access to independent living solutions. The houses prices are prohibitive and rents are high, in particular in urban areas, whilst the young persons' income is low. The social programmes have provided an insufficient number of low-price housing units. This situation causes the young to cram in multi-generation houses, living with parents and other relatives being the only available option.

Many low income families from urban areas would like to take out loans for buying or building a house, but don't have access to financing because their members are informally or self-employed.

In large towns where the technical capacity and political will exist, efforts are made using local/municipal, ANL or government funds to build new social housing, renovate existing buildings, develop new settlements and services (mainly in rural or peri-urban areas) where the local authorities allocate free of charge plots of land to residents from disreputable neighbourhoods to build a house; improve utilities (e.g. electricity supply, water supply etc. Nevertheless, the financing capacity of most small towns is limited.

Government assistance for financing home buying is available through a number of programmes.

- A smaller upfront payment required for mortgages take out by first-time buyers, guaranteed by the government as part of the First Home Programme (5 % compared to 20 % the standard advance payment for mortgage loans).
- Loan guaranteed by the government; VAT cut back (from 24% to 5%) and subsidised interest rate of 1%-2% for loans in Euro taken out by first-time, low price home buyers (380,000 lei ~ 86.000 euro). In the period 2009-2013, some 100,000 mortgages were guaranteed by the government in the First Home Programme,

which is estimated to represent over 90% of the total mortgages contracted by commercial banks in the said period. More than two thirds of the persons who took out loans are aged 26 to 35 and bought smaller homes (approximately 51 % of these mortgages were taken on one room housing units).

- A 30% subsidy for housing units finalised in previously “unfinished” buildings (private housing units built in uncompleted residential buildings started before January 1st 1990. MDRAP approves and coordinates the annual programmes. The local authorities select the applicants based on social selection criteria, only considering the groups that are entitled to a one-off subsidy of up to 30% of the home selling price.
- A subsidy of up to 30% of the price of the home granted to all the categories of persons that qualify for social housing. The government allows a discount or subsidy of up to 30% of the home price, but not exceeding 10,000 euro, on condition that the housing unit was built by an authorised developer/construction company. The local authorities receive applications for subsidies and grant such to persons entitled to receive them, after building work is completed.

The support must also be mentioned that is provided by the government to young persons under the age of 35 for building individual housing units, by granting plots of land of 250-500 sqm in urban areas and up to 1,000 sqm in rural areas. The local authorities may contribute by extending the utilities infrastructure (water, sanitation etc.) to built-up residential areas, using local funds.

In order to provide access to housing, the Ministry of Regional Development and Public Administration is currently implementing a number of programmes for construction of new houses:

Programme for construction of new houses for young people implemented through NAH (National Agency for Housing)

In provide access to housing, the National Housing Agency was established by Law no. 152/1998 including subsequent amendments and additions.

The programme for construction of new rental housing for young, implemented by NAH, is aimed at building houses for rent, targeted at young people whose sources of revenue do not allow them to procure a home or to rent a house based on current market conditions and to provide stability to young experts, by creating convenient housing conditions.

Programme for construction of new houses based on mortgage credit

The programme aims to build owner-occupied housing financed by mortgage credit and the delivery of a privately owned real estate. The mortgage credit is provided by financial institutions that have been approved upon by the National Agency for Housing. The award of mortgage credits for building new houses is conditioned by the Beneficiary's capability to cover in advance, from own sources, the difference between the full cost of the house and the amount of credit that can be actually provided. The construction of these houses, their commissioning and delivery to the beneficiaries is monitored and performed by the NAH, together with the beneficiaries of the houses, according to the conditions and powers of attorney included in the mandate agreement.

The Government sponsored “**Prima casă (First Home)**” Programme supports individuals to take out subsidised loans for buying/building a home and helps mitigate the potential outcomes of currency risk. For this purpose, the Government guarantees 50% of the loan and requires the banks to provide cheaper loans. The Programme was first approved in summer 2009 and was subsequently amended annually.

Supporting local economic development

According to the “Competitive Towns” Report published by the World Bank, a country’s economic development includes two key factors: the economic weight (importance) of towns and their proximity to major economic centres from within the country and abroad.

Towns’ competitiveness is dependant on how diversified their economic environment is. Romania has a significant number of economically unattractive single industry towns, with direct repercussions on the overall regional economy.

Local authorities concerned with creating jobs should focus on attracting employers from innovative sectors, since the best way for a town or a state to generate jobs for low-qualified persons is to attract high-tech companies that hire highly qualified individuals.

The more access will people have to better opportunities (upper education, better jobs and contact with other persons), the more productive will they be and the better will the overall economy perform.

The Ministry of Economy, Trade and the Business Environment carries out activities that are aimed at developing and supporting the Romanian SME sector for economic growth and job creation. The ministry is implementing a number of Government-funded national programmes, as well as internationally funded projects, all intended to facilitate SME’s access to financing:

- Programme for stimulating young entrepreneurs to set up and develop micro-businesses
- Programme for developing entrepreneurship among SME women managers
- Programme for developing entrepreneurship among youth and facilitating their access to START funding
- Programme for development and modernisation of products and services marketing
- Programme supporting traditional arts and crafts
- Programme to set up and develop technological and business incubators
- The UNCTAD/EMPRETEC programme supporting the development of small and medium enterprises
- The “de minimis” support scheme for investments by SMEs
- The Romanian-Swiss programme for SMEs

The Ministry supports cooperation between SMEs and upper education and research & development establishments, in view of increasing the SMEs innovative capabilities and making the most of their competitive advantages. This initiative is include in the draft of the *“Government Strategy for the Development of the SME Sector and Improvement of the Business Environment in Romania - 2020 Horizon”*.

Creating decent jobs and livelihoods

No distinctive pattern of places where people have high living standards exists in Romania (Competitive Cities, 2013). The reason is simple: in small communities, one single company can increase everybody’s average wages. For instance, if in a given community there are only three persons working under employment agreements (a fairly often occurrence in rural areas) and are hired by a company that pays comparatively high wages, than that community may look on the map as if it were rather developed. Consumption data are a better welfare indicator for Romania, particularly at community level.

The National Strategy for Employment 2014-2020 (and the associated implementation action plan) was approved by Government Decision no. 1073 of 11th of December 2013. The purpose of the strategic document is to ensure improved coordination of employment policies priorities, starting from an action framework built in view of achieving the objectives and priorities of the national employment policy, integrated in the European Union's Europe 2020 Strategy.

Overall goal: to achieve a sustainable level of employment in Romania, backed by economic competitiveness, social cohesion and sustainable development. The **key target for 2020 is 70% employment rate in the age group 20-64.**

For the purpose of implementing flexible labour market measures, meant to meet both the needs of job seekers and businesses, the Ministry of Labour, Family, Social Protection and the Elderly has initiated the reform of the unemployment insurance and stimulating employment system by:

- Providing free assessment of non-formal and informal skills, for the purpose of facilitating and expediting the certification of professional skills;
- Providing mobility bonuses also to the long-term unemployed. This measure is aimed at stimulating territorial mobility for employment by the granting of the employment bonus (2 X the national benefits benchmark amount ^{TN}) and the setting-up bonus (7 X the national benefits benchmark amount);
- Easing the requirements for the implementation of some active measures (the minimum time in service was cut back from 3 to 1.5 years for employers hiring graduates, under the requirements of Article 80, and from 2 to 1.5 years for employers hiring unemployed over 45, single parents or disabled persons, under the requirements of Article 85);
- Promoting a measure whereby the employers hiring unemployed who meet the requirements to apply for early retirement or reach the default retirement age within 5 years from the time of employment, receive a monthly amount equal to the amount of the national benefits benchmark throughout the time of employment, until the time the hired person meets the requirements above, paid from the unemployment benefits budget, compared to the 3 years provided by the law currently in force;
- Promoting the participation on the labour market of youth at risk of social marginalisation, by providing incentives to employers who hire such young persons. Under this measure, such employers (dubbed "insertion employers") receive on a monthly basis, on request, for each young employee, an amount paid out from the unemployment budget and that is equal to the basic wages agreed at the time of the young person's employment, but not exceeding twice the national benefits benchmark amount applicable at the time of employment, for a time period equal to the duration of the solidarity agreement made between the ANOFM and the young person in question, that is up to three years, but not less than one year.

Integration of the urban economy into national development policy

The Romanian towns' economy was shaken by two major factors that had a major impact on their development: 1) the industrial restructuring after 1990 and 2) the financial crisis that started in 2008. The single industry or limited industries towns, which could not develop new businesses to take up the available work force, were hit the hardest.

^{TN} In Romanian: *indicatorul social de referință - reference social indicator*

The European trend (manifest mainly in less developed countries) is for economic activities and population to concentrate in large metropolises, but more so in capital cities, thus placing the capitals in a domineering and unique position in the national economic system. A study of DG REGIO on the metropolitan areas of the European Union shows that the eight metropolitan areas of Romania (Bucharest, Timișoara, Cluj-Napoca, Iași, Brașov, Craiova, Constanța and Galați) generated 46.1% of the GDP in 2006, though these regions only concentrate 32.6% of the country's population. In 2006, the GDP in the eight metropolitan areas was 54% of the European average, and 16 percentile points above the national average.

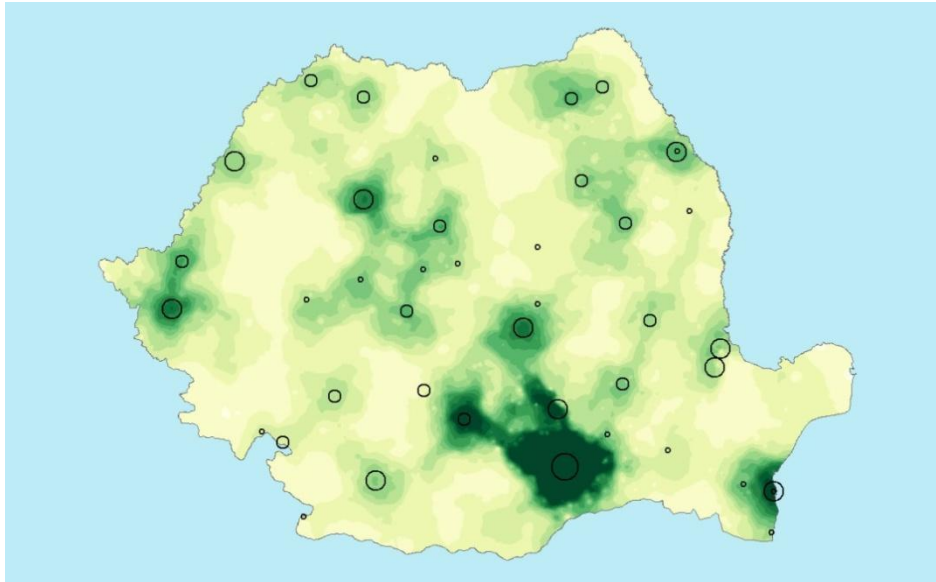


Figure 12 Nationwide economic polarization

Source: World Bank's "Competitive Towns Report"

The Growth Poles Policy for Romania (2008-2013) impacted upon a significant part of the latest economic development of the country. Drafted in March 2008, the Policy defined a number of categories of urban centres: 7 growth poles and 13 urban development centres of regional importance.

Scale and agglomeration economies in Romania are concentrated a few major economic centres, thus widening the regional development gap. Between 1995 and 2009, Bucharest's contribution to the GDP went up from 15% to 25%. However, due to economic and social polarisation, Bucharest's development led to the decrease of other towns' competitiveness. Thanks to their remoteness from Bucharest, Timișoara and Cluj-Napoca developed and succeeded in expanding their economic weight independently from the Capital.

Over the past 10 years, at national level, **the number of persons employed in agriculture and industry in urban areas decreased whilst employment in building and services went up, showing a growing trend of the tertiary sector in towns.** Most of the 5,071,490 persons employed in urban areas in 2011 were concentrated in services (61%), followed by industry (approx. 28%). The highest growth within the services sector was in financial brokerage (74% increase in 2011 compared to 2000), hotels and restaurants (plus 69%) and commerce (32%).

According to the National Strategy on Competitiveness 2020 (pending public consultation), in 2007-2013 investment supported by structural and cohesion funds were targeted to

towns, companies and persons, and not to intervention areas defined as integrated development regions.

Challenges and lessons learnt in the above mentioned areas

The effects of the financial decentralisation process in Romania deeply impacted the evolution of income and expenditure from local budgets and, implicitly, the local authorities' capacity to generate income. Thus, on the background of an ever increasing number of responsibilities being delegated from central to local government level, without a corresponding increase in local income, discrepancies appeared between the local authorities' capacity to generate income.

Among the challenges associated to improving local public finances are:

- To identify new financing sources for local expenditure. Projects funded from European grants are one such source. The management of such projects is very important in the overall process of accessing and using these funds, taking into account the poor coordination we see in the intermediate and management bodies responsible for such projects;
- To increase own income and revise the manner money is allocated for the balancing of local budgets such as to improve transparency and efficiency of this process;
- The local decision makers are not sufficiently trained to effectively manage financial resources in the context of numerous changes occurring in laws or as a result of financial decentralisation. In order to meet these changes, it is recommended that the local and county councillors receive training in local management practice and techniques and in particular on the specifics of developing local public policies.

The country income is generated by a few important towns scattered around the country. Bucharest City produces some one third of Romania's GDP, with a significant growth compared to 1995 when it only generated 15 % of the GDP. Looking at the income generated by private companies, we see that the Bucharest-Ilfov region covers about 40% whilst the largest 10 towns yield more than half (more specifically 53 %) of the total income of the companies in the country.

Romania's towns need a wider range of employment areas, pulling forward the local economy, and a diversified economic base capable of supporting growth even where some of the top industries in the area are facing challenges.

The National Strategy for Competitiveness 2020 mentions the lack of entrepreneurial culture as a major current challenge, demonstrated by the SME's lacking critical mass. Moreover, the skills and education are the key qualities of work force and may be critical for the attractiveness of any particular market. Romania still has disadvantages in this area: workforce skills that don't match the labour market needs, decreasing number of highly qualified persons in total population, low levels of computer literacy, "brain drain" emigration of highly skilled workers and professionals etc.

Future challenges and issues in the above mentioned areas that could be dealt with in a New Urban Agenda

In order for the economic growth centres to fully benefit from the urban-rural system created around them and to expand their economic weight, the central and local

governments can use certain tools. However, these tools must be adjusted such as to meet the specific needs of each town.

At local level, decisive interventions ensure better quality of life. It is said that people migrate to places where there are opportunities, but stay where there is good quality of life. Accordingly, it is important to develop and maintain a comprehensive, dynamic and efficient public transportation system (facilitating access to all parts of town), to protect green areas, to invest in cultural centres (e.g. theatres, cinemas, opera houses), to create quality public spaces and to encourage human interaction.

In larger economic areas, it is important to develop the interconnectivity infrastructure such as the people of the area may gain rapid access to opportunities, facilities and key public services in the town centre.

In order to be truly competitive, Romanian towns need a wide range of employment areas, pulling forward the local economy, and a diversified economic base capable of supporting growth even where some of the top industries in the area are facing challenges. The 2008 crisis was especially useful in that the data on the towns' performance before and after this milestone may provide information on the health, adaptability and sustainability of local economies in Romania.

A recent economic process is the development of business clusters that may drive economic development and provide higher added value. It is expected that the clustering process will develop further.

Local and regional economic development should be supported by the setting up of business structures (industrial, scientific and technological parks) where companies may benefit from certain facilities and services.

Research still plays a minor role in economic development with the results being slowly and clumsily transferred and applied in the economy. Re-establishing a strong link between research and business and promoting innovation are means that may ensure sustainable development of the country's economy.

It is mandatory that a trained and qualified workforce be developed and this aim required initial and continuous training and education, as well as on-the-job training and work experience. Furthermore, retraining is required for individuals made redundant due to business restructuring.

VI. Basic habitation and services: issues and challenges for a New Urban Agenda

Slum upgrading and prevention

With support from the World Bank, the MDRAP has developed a project to identify poor communities in urban areas.

Integrated plans to reduce the physical concentration of poverty shall be implemented in such areas.

Alongside **mandatory provision of social housing** the plans will also require **complementary education, health, social services and employment measures** for the purpose of **mitigating** the crucial aspects of poverty and social exclusion. Therefore, the integrated projects tackling the needs of such communities (including the Roma population) will have to include investments in infrastructure (*education, health, social services*), *measures to support employment via the social economy, measures to improve the living conditions (building/rehabilitation of houses) alongside the implementation of activities aimed at the integrated community development (information/counselling/mediation).*

At the same time, in 2014, MDRAP commissioned the development of a method for identifying and intervening in insalubrious habitats. The guide defined identification criteria and means of intervention at the level of urban island, building and dwelling.

Improving access to adequate housing

In order to ensure access to housing, the Ministry of Regional Development and Public Administration is implementing a number of home building programmes.

The programme to build homes for the young implemented by ANL

In order to ensure access to housing, the National Housing Agency was established by Law no. 152/1998 including subsequent amendments and additions. This is a legal entity of public interest that coordinates funds for home building.

The goal of the programme to build homes to be let out to the young, implemented by ANL, is to build housing to be let to young persons whose income does not allow them to buy or rent a home on the free market and to ensure stability of young professionals by providing them with suitable living conditions.

Money is allocated from the Government, international loans and local budget for the development of social housing projects, from the design to building phase.

The programme for mortgage-based home building

The programme is intended to support the building of privately owned homes funded by loan mortgages and the development of privately owned housing. Banks recognised the National Housing Agency grant such loan mortgages. The granting of a loan mortgage for home building is conditional on the borrower's own financial resources to put down a deposit amounting to the difference between the full price of the house and the loan he/she qualifies for. Together with the clients, ANL monitors and carries out the building, reception and hand-over of the homes, in compliance with the terms and mandate given in the representation agreement.

The programme for building social housing in compliance with Law no. 114/1996, including subsequent amendments and additions

*The purpose of this programme is to build social houses - homes let on a subsidised rent and destined to particular categories of disadvantaged persons, as defined by law, whose income does not allow them access to owning or renting a home on the open market. **The proposed goal is to ensure decent living conditions** for disadvantaged social groups.*

Via the budget of the Ministry of Regional Development and Public Administration, the State supports the building of such homes by allocating money from the State budget to top up local funds, on the substantiated request of local councils.

The programme to build social housing for tenants evicted from nationalised houses

The programme is aimed at developing a supply of social houses destined to the tenants evicted from formerly nationalised houses that are now returned to their rightful owners, in those administrative units where applications exist from persons entitled to such housing. For the purpose of providing the funds required to finance the building of social housing to be let to persons evicted from houses returned to their former owners, when substantiating the annual draft budgets, the local councils shall provision the relevant amounts for each building, indicating the source of the funds, including the amounts needed as top-up from the State budget.

Starting with 2006, the Government has initiated a number of rehabilitation/restoration of existing houses in view of protecting them against earthquakes and improve their energy efficiency. The projects are funded thus: 34% from the State budget, 33% from the local budget (+FEDR), and 33% from the funds of the owners' associations (+FEDR). The contribution required from the private owners is relatively small: 1,000-1,700 Euros for an average flat of 60 m².

According to the data from the latest census (2011), only 33% of the total number of homes in urban areas were heat insulated by one or several methods (heat insulation of outer walls, replacement of windows and balcony doors with double-glazed windows, closing balconies with double glazed windows and heat-insulating the roof).

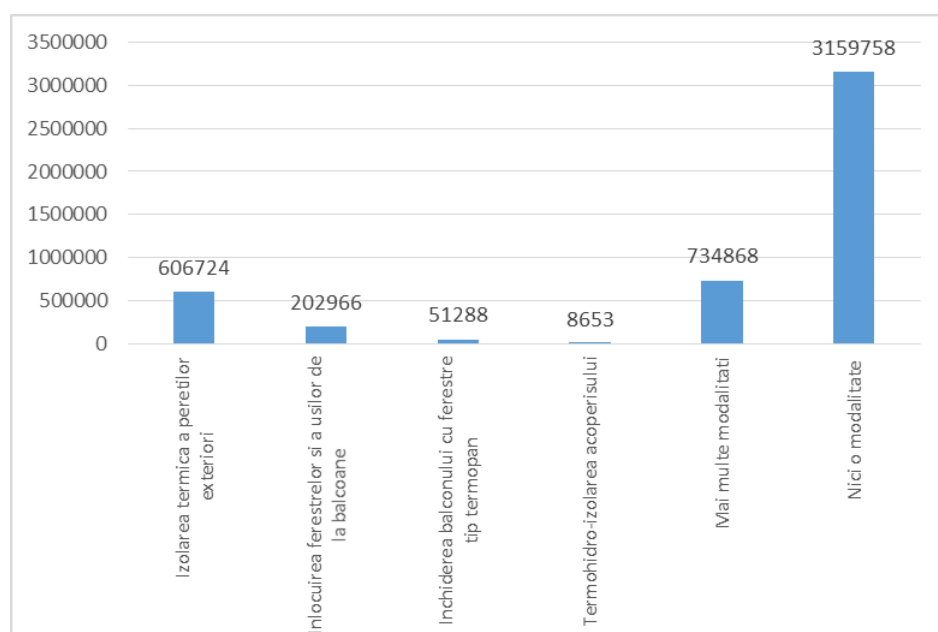


Fig. 13 Structure of dwellings according to the method of thermal refurbishment (urban areas)

Ensuring sustainable access to safe drinking water

The results achieved by the central, local and other governmental authorities, in partnership with the main stakeholders in this field, through the Habitat Agenda:

In terms of quality of water targeted for human consumption, the main obligation derived from Council Directive 98/83/EC including subsequent amendments is to ensure quality of water distributed through centralized systems.

In order to comply with the provisions of this Directive, transition periods were obtained for the various parameters that characterize the quality of water, up to 22 December 2015 (for the following parameters: ammonium, nitrates, aluminium, iron, lead, cadmium, pesticides and manganese for localities with population ranging from 10,000 to 100,000 inhabitants and respectively for ammonium, nitrates, turbidity, aluminium, iron, lead, cadmium and pesticides for localities with less than 10,000 inhabitants).

In terms of access to drinkable water in the urban environment, according to NIS, a number of 262 localities were recorded in 1996 as having their own distribution network for drinkable water; in 2006, 317 localities were recorded as having a distribution network for drinkable water while in 2012 - 317 localities.

The total length of the core network for distribution of drinkable water for counties and localities was of:

- in 1996: 34,496.6 km
- in 2006: 50,821 km
- in 2012: 68,299.3 km
- in 2014: 74,263.2 km

The quantity of drinking water distributed per counties and localities (home use, per total number of localities) was of:

- in 2006: 652,418 thousand cubic meters
- in 2012: 694,792 thousand cubic meters
- in 2014: 684,451 thousand cubic meters.

Population serviced by the public water supply system for macro-regions, development regions and counties was of:

- in 2008: 11,336,676 persons,
- in 2012: 12,103,555 persons,
- in 2014: 12,454,909 persons.

Ensuring sustainable access to basic sanitation and drainage

Improvement of access to the wastewater infrastructure represents one of the permanent objectives of environmental policies.

The pre-accession period (2000-2007) may be characterised by an institutional effort to strengthen the institutional and administrative capacity for the organization of structures related to water and wastewater services at all levels: national, county and local. Following the EU accession, this institutional effort evolved, as it was supplemented by an investment-related one, resulted from the need to fulfil the obligations undertaken through the Accession treaty in terms of collection and treatment of urban waste water in those agglomerations with over 2000 equivalent inhabitants (P.E.).

Following the EU accession, Romania has recorded an important progress in terms of equipping itself with sewage networks and treatment plants for the agglomerations in the urban area, as well as for those in the rural area, however the progress was more visible in the urban environment.

The Romanian population amounts to 20,199,059 inhabitants, according to the last census from 2011, out of whom 10,902,302 inhabitants living in the urban area (54%) and 9,296,757 inhabitants living in the rural area (46%).

The National Institute for Statistics data show the following, in terms of the number of inhabitants with dwellings connected to the sewage and treatment systems (at national level):

- in 2006: 6,068,655 inhabitants (out of whom 50.88% living in the urban area)
- in 2012: 8,589,957 inhabitants (out of whom 73.18% living in the urban area)

Total simple length of sewage pipes:

- in 1996: 15,290.5 km
- in 2006: 18,602.3 km
- in 2012: 24,789.8 km

Number of localities with public sewage systems (in the urban area):

- in 1996: 261 (out of a total of 261)
- in 2006: 308 (out of a total of 320)
- in 2012: 310 (out of a total of 320)
- in 2014: 311 (out of a total of 320).

Improving access to clean domestic energy

According to the National Energy Strategy for 2007-2020 updated for 2011-2020⁵, the existing district heating systems are fitted with outdated, low yield equipment (cogeneration plant) and have high distribution losses.

Alongside the low heat generation yield and high distribution losses (between 10% to 50% in some cases), the low efficiency of district heating systems is caused by the shutting down of industrial steam and hot water consumers, which led to operation in uneconomical conditions and high heat generation and distribution costs, decrease in the quality of services and higher energy bills for the residents.

According to the “green” energy map, Romania’s potential includes 65% biomass, 17% wind, 12% sun, 4% micro-hydropower plants, 1% voltaic + 1% geothermal⁶. Since the sun energy competes with biomass, the main demand for sun-heated water is in urban areas. The photovoltaic panels are also used in urban areas.

According to the Ministry of Energy⁷, the weight of electricity generated from renewable sources in the total final gross consumption of electricity of the Country in 2013 was 41%,

⁵ http://mmediu.ro/new/wp-content/uploads/2014/01/2011-11_07_evaluare_impact_planuri_strategiaenergeticaactualizata2011.pdf

⁶ http://arhiva.euractiv.ro/uniunea-europeana/articles%7CdisplayArticle/articleID_11027/Harta-energiei-regenerabile-a-Romaniei.html

⁷ <http://www.agerpres.ro/economie/2014/03/21/energia-regenerabila-a-avut-o-pondere-de-41-in-consumul-de-electricitate-al-romaniei-in-2013-pesto-tinta-asumata-11-19-33>

above the 38% target assumed by Romania for 2020 and well above the interim target of 35% indicated for 2015.

Romania pledged with the European Commission that in 2020 24% of the total energy consumption will be generated from renewable sources. This target includes electricity, heat and fuels. The National Energy Regulator (ANRE) announced that this target has already been achieved on the 1st of January 2014.

The target for electricity for 2020 is 38% and the intermediate target for 2015 is 35%. This shows that Romania has already achieved and surpassed both targets.

Renewable energy production is supported by the state through the mechanism of green certificates. In 2013, the installed electrical capacity of renewable energy production units in Romania, which received the green certificate support system was 4418 MW.

Improving access to sustainable means of transport

In the context of urban mobility and, implicitly, of transportation, accessibility may be approached both from a spatial and an economic point of view. Transportation sustainability can be translated in the encouragement of alternative, environmentally friendly means of transportation. In addition, sustainability may entail optimising and improving the efficiency of public transport systems comprising interrelated main and complementary means of transportation, such as underground trains, tramways, trolleybuses, busses and mini-buses.

According to the *Competitive Cities Report*, the public transportation system shrunk or was entirely decommissioned in almost all Romanian towns where such a system existed (see map below).

To some extent, these systems disappeared because of being unprofitable, the local authorities not knowing how to keep them operational on the background of budget constraints. Also, it is likely that the disappearance of the public transportation system led to locals' lower mobility and increased dependency on the car.

It is a well-known fact that the structuring and non-polluting public transportation networks play a vital role in the working of tomorrow's towns, in ensuring an attractive living environment and in reducing town pollution levels. To ensure urban development sustainability, attractive living frameworks and pollution reduction, a series of measures are taken more and more often in towns to remodel mobility. Among such measures are: the construction of infrastructure and services for cyclists and non-motorised traffic, the development of structuring and non-polluting public transportation networks in the large cities and urban agglomerations (tramway and underground) and the development of pedestrian networks.

The Leipzig Charter promotes the increase of accessibility to public transportation for all social categories.

According to the Transport White Paper 2011, Chapter "*Ten Objectives for a Competitive and Sustainable Transport System*", in order to optimise the performance of multimodal logistic chains, including by the wider use of more energy efficient means of transportation, a number of targets must be met, thus:

- By 2030, 30 % of all goods hauled on roads on distances over 300 km should be transferred to other means of transportation, such as railway or waterways. The share should exceed 50 % by 2050, with the help of efficient and environmentally friendly transport corridors. The development of suitable infrastructure will also be necessary in order to achieve this goal.

- By 2050, to complete a European high speed railway network. Tripling the length of the existing high speed railway network by 2030 and maintaining a dense railways network in all Member States. By 2050, most of the medium distance passenger transport should be by railway.
- BY 2030, to implement a multimodal and fully functional TEN-T “primary network” in the entire EU and, by 2050, to implement a high quality and capacity network and corresponding information services.
- By 2050, to connect all airports of the “primary network” to the railway network, preferably to high speed railways; to guarantee that all primary maritime ports are suitably connected to the freight railway transportation system and, wherever possible, to the inland navigable waterway system.

The cost of local externalities, such as air and noise pollution and traffic congestion, could be internalised by charging fees for the use of the infrastructure. The recent proposal of the Commission to amend the so-called “Euro vignette Directive” is a first step towards better internalisation of the costs generated by heavy freight vehicles, but the disparities between the national roads taxation policies will persist. Subsequent actions shall look into gradually adopting a mandatory harmonised internalisation system for commercial vehicles and the entire interurban network, ending the current situation whereby the international transporters are confronted with the Euro vignette, 5 national vignettes and 8 electronic road tolling systems in order to drive care-free on taxed European roads.

Challenges and lessons learnt in the above mentioned areas

In Romania, providing access to drinking water supply in a centralised system is inadequate compared to the average European Union countries. In view of the poor state of the water supply and waste water infrastructure in the pre-accession period, the public water supply and sewerage services have been supported by a number of internationally funded programmes. Examples: The Municipal Utility Development Programme supported by the World Bank; The Infrastructure Development Programme in Small and Medium Towns; The ISPA Programme; The PHARE Programme; Development programmes supported from the national budget and loans (BIRD, BERD, BM).

In the period 2007-2013, integrated investment projects were financed as part of the POS Environment in the fields of drinking water and waste water treatment. The investments in water supply and waste water infrastructure made under the Priority Axis 1 “Extending and modernising the water and waste water infrastructure” were aimed at improving access to district water supply and sewerage in most urban areas. The investments in the drinking water/waste water infrastructure were also supported by national funds allocated by the Government Ordinance 40/2006 “Environmental Fund”.

The climate changes and hazardous weather phenomena were considered when designing and building new sewerage systems and rehabilitating existing ones, in order to prevent potential damages to sewerage works and ensure the continuing good operation of the sewerage collection system for the future. The connection to sewerage and waste water treatment has increased by more than 10,000 PE, mainly in urban agglomerations.

The main types of waste water treatment projects and works have been aimed at: extending and rehabilitating existing or building new sewerage networks; extending and rehabilitating or building new waste water treatment plants in human agglomerations including rural communities.

The impact of discharging urban waste water is significant in the case of large human agglomerations, named “big cities”, with more than 150.000 PE (population equivalents). Many of such agglomerations include small communities from the vicinity.

In the period 2007-2012, the construction of waste water treatment plants was finalised in the towns of: Braila (231,348 PE), Craiova (374,278 PE) and Galati (369,833 PE). The waste water is now treated to secondary stage with the more advanced treatment to be added in the future (tertiary stage). In the same period, technical and operational conditions have been created for advanced treatment (tertiary stage) in the sewerage treatment plants of large towns (more than 150,000 PE: Bucharest (2,159,995 PE), Constanta, Pitesti, Targu Mures, Arad and Piatra Neamt, for the purpose of removing nitrogen and phosphorous compounds to the authorised limits. The process to modernise the sewerage treatment plant with advanced treatment stage should continue with the use of European Cohesion Funds.

The water supply and sewerage services are mainly public, and only in a few cases are provided by private companies. The discharge of centrally collected waste waters or that go directly into treatment plants, as well as of treated urban waste water, is permitted based on an authorisation system specific to operators (for sewerage) and representatives of the “Romanian Waters” National Agency. The “Romanian Waters” National Administration (ANAR), together with its subordinated 11 Water Basins Administrations, is the competent authority for authorising discharges of waste water into water resources. Likewise, ANAR applies at national level a system for monitoring the quality of discharged treated wastewater and the quality of receiving water bodies (Integrated Water Monitoring System in Romania), in accordance with European requirements.

The Directive on urban waste water treatment is not only the most costly - it being evaluated to more than 12.3 billion Euros, but also the most difficult to implement.

Within the Sector Operational Programme for Environment, priority Axis 1 - Improving the infrastructure for water / waste water, in the period 2007-2013, 60% of the total funds (approximately 3.3 billion Euros) were allocated for completion of these works, as well as for continuous development of integrated projects for water / waste water, optimising the investments and the management of projects.

In the period 2007-2013, the Sector Operational Programme “Environment”, Axis 1 - Improving the water/waste water infrastructure, received 60% of the funds (approximately 3.3 billion Euros). The programme implemented specific actions to develop the water supply/waste water infrastructure, such as continuing the integrated development of water supply/waste water infrastructure, and optimisation of investments and project management.

Regional operators were set up by taking over the plants in the neighbouring agglomerations, in view of ensuring the operation of efficient water and sewerage companies, capable of receiving EU funding and complying with the European laws, as well as providing services at acceptable costs for the population with lower income from the communities in question. 42 operators are active countrywide, most of them covering one county, but some also operating in more than one county, depending on the configuration of the drainage basins.

Although the applications for funding of renewable energy projects from structural funds exceeded the allocated funds, several beneficiaries complained about financial problems caused by deductibility requirements related to green certificates.

In the coming period it is necessary to ensure matching of national and Community funds, in order to achieve the best outcomes in terms of economic growth. Furthermore, it has been found that, by and large, in the case of renewable energy projects, the connection of the plant to the national power grid is not included in the financial plan, this leading to lower added value than expected. Whenever this type of projects supply excess power, the national power system must allow better use of the energy surplus.

According to the Ministry of Energy, in the period 2014-2024, Romania should encourage prudent development of renewable energy, with focus on biomass, and taking into account that investments in wind and sun power generation have developed much too fast and in an unsustainable manner. The construction of new wind and sun power plant in the following years could cause significant problems in the operation of the national power system. However, the identification of a viable alternative to classic fuels used in transports could be a renewable energy priority.

In the future, sustainable transport is meant to ensure mobility by non-polluting means of transportation or that generate a low environmental and health impact means. This can be achieved by increasing the fuel energy efficiency and cutting back consumption of non-renewable fuels, as well as by continuously reducing solid and liquid waste produced for manufacturing, maintaining and disposing of vehicles.

Taxes, duties and authorisations may help reduce the use of polluting means of transportation, cut down energy consumption, increase transport efficiency, and fairly distribute income between society and transporters.

Also, it is necessary to analyse those impacts of transport operations that cause damage to other parties, without the transporters paying any compensation (e.g. chemical contamination, greenhouse effect, noise pollution, vibrations, damage to infrastructure, traffic jams, accidents, the use of non-renewable resources etc).

Adopting policies supporting sustainable transportation does not mean to immediately and totally change the population's life style, since it is not imperative to take measures to reduce mobility and limit purchase of cars.

When vehicles are used that generate negative environment and health impact, the important thing is to take measures to mitigate or eliminate such impacts on the long term.

Future challenges and issues in the above mentioned areas that could be dealt with in a New Urban Agenda

Extending and modernising the water infrastructure remains one of the highest priorities for improving the standards of living and for implementing the requirements of the environmental *acquis*. Funding for this priority shall be from European funds and other sources (national budget etc).

For the period 2014-2020, the LIOP (Large Infrastructure Operational Programme) envisages, among others, to ensure the supply of drinking water to the population by the implementation of major and minor projects, including projects that have been partially funded from the Environment POS 2007-2013 and that have not been completed (phase II).

The policy to regionalise the water supply and sewerage services will continue in the period 2014-2020, via the implementation of the projects initiated in the period 2007-2013 and that are to be completed after 2015, as well as by the development of new projects continuing the required investments in the collection and treatment of waste water in agglomerations with more than 2000 PE

For the period 2014-2020, European grant funds amount of some 2.9 billion Euros shall be used to finance investments. The difference shall be financed from other sources (international finance organisations, state budget, and local budgets).

The need to increase energy efficiency and labour productivity is obvious in view of reinvigorating particular industries that require large numbers of employees concurrently with promoting work force retraining and restructuring programmes. Some of these programmes should consider the opportunities provided by the renewable energy sources in Romania. The theoretical job demand is very generous at all levels of qualification, in

particular for plant equipment manufacturing. Unfortunately, Romania's low production capacity and the fierce European competition leads to most jobs being in the field of construction (temporary jobs) or maintenance and operation, areas that provide much less jobs than plant manufacturing. That is why it is necessary for the work force training/retraining to take into account recent employment opportunities and new qualifications be introduced in secondary and upper education, that meet the labour market needs.

In order to ensure a balanced, sustainable and competitive transport system, major investments must be considered in environmentally friendly means of transport, thus ensuring efficiency of transport and increased interoperability at urban and peri-urban levels.

It is also important to develop and expand inter-city public transport routes (e.g. regular and reliable bus and train connections), as well as public transport options in the metropolitan areas. Should neighbouring communities be better integrated in a functional urban area, this would help the towns to develop increased economic weight, become more attractive for investors and benefit from scale economies. The public authorities should implement measures focused not only on the development and improvement of the connecting infrastructure, but also on improving accessibility and connectivity by the provision of suitable information about running times of busses and trains. This can be achieved by investments in the modernisation and maintenance of bus and train stations/stops and establishing standards that guarantee good value for money of public transportation.

Indicators

i. Percentage of persons living in slums

No definition exists in Romania of marginalised areas. The 2014 World Bank Report “*Preparing development strategies for marginalised urban communities*” shows that disadvantaged residential areas are one of the four categories of disadvantaged urban areas specific to Romania. They include neighbourhoods where a significant percentage of the inhabitants live in inadequate houses, as defined by UNHCHR.

According to the above-mentioned Report, the percentage of urban population living in disadvantage areas is 5.2%.

ii. Percentage of urban population with access to adequate housing

No definition exists in the Romanian laws for “adequate dwellings”. An alternative indicator may be used (calculated based on the data from RPL^{TN}): percentage of urban population living in homes with electricity, running water (hot water), sewerage, gas and/or central heating of the total urban population.

	1992	2002	2011
Total Romania	42%	42.3%	50.9%
Urban area	76.1%	77.8%	82.1%

iii. Percentage of urban population with access to safe drinking water

The indicator used in Romania is the share of urban population living in dwellings which have access to a water supply installation from the total urban population.

	1992	2002	2011
Total Romania	54.6%	71.6%	81.6%
Urban area	55%	95.5%	96.5%

iv. Percentage of urban population with access to proper sewage services

The indicator used in Romania is the share of urban population living in dwellings which have access to a sewage installation from the total urban population.

	1992	2002	2011
Total Romania	51.6%	52.9%	70.6%
Urban area	86.4%	86.6%	92.9%

^{TN} Census of population and dwellings

v. Percentage of urban population with access to regular waste collection services

Degree of connection to sanitation services (%)

	2006	2007	2008	2009	2010	2011
Total Romania	49	51	54	63	70	76
Urban area	79	79	80	84	85	90

Source: National Report on environment for 2012, NAEP

vi. Percentage urban population with access to green energy for home usage

For the moment, this indicator is not being measured for Romanian towns. The indicator proposed for replacement is the share of urban population living in dwellings with an electrical installation system from the total urban population (according to census data).

	1992	2002	2011
Total Romania	98%	97.9%	99.4%
Urban area	99.7%	99.3%	99.8%

vii. Percentage of urban population with access to public transportation systems

This indicator is not measured at the level of the Romanian urban area. It can be estimated starting from the indicator on the number of vehicles included in the inventory for the public local passenger transport (indicator that is part of official statistics) by adding up the number of inhabitants for the towns that own such vehicles and expressed as percentage of total urban population of Romania.

	2002	2012
Urban area	79.2%	72.6%

viii. Level of effective decentralisation for sustainable urban development, measured through: (i) percentage of policies and legislation on urban issues to which the local and regional authorities have participated to in the design stage starting from 1996 up to now; (ii) percentage share from revenues and expenses allocated to local and regional authorities from the national budget; (iii) percentage share from local authorities expenditure, that is financed from locally obtained revenues

ix. Percentage of national, regional and local authorities (cities and towns) that have implemented urban policies supporting local economic development and creation of means of living and decent jobs

About 75% of the territorial administrative units of urban development are strategic documents which are being implemented.

x. Percentage of national and local authorities (municipalities and towns) that have adopted or implemented policies or strategies for safety and security

No data

XI. Percentage of regional and local authorities (cities and towns) that have implemented plans and designs for sustainable cities that are able to properly answer to the issue of urban population growth

In Romania, spatial development is performed based on sustainable development principles, as a special attention is provided to the needs of local population.

According to Law 350/2001 on land management and urban planning, as subsequently amended, spatial management of the land aims at providing individuals and communities with the right of fair use and the responsibility for an efficient use of land, proper living conditions, work, service and transport opportunities that respond to the diversity of population needs and resources, decreased energy consumption, protection of natural and built landscapes, conservation of biodiversity and creation of environmental continuity, public safety and sanitation, rationalization in the demand for transport, aesthetical and architectural quality, protection of architectural and cultural identity of urban and rural localities.”

In view of ensuring sustainable urban development conditions, the legal provisions stipulated a set of activities and instruments among which we will refer only to urban and territorial development strategy, policies and programme design, and to the design of land management planning and urban planning.

In accordance with Law 350/2001 on land management and urban planning, as subsequently amended, the General Urban Planning document has a guiding and strategic nature, as well as a regulatory nature, representing the main operational planning tool, as the legal basis for the implementation of development programmes and actions. Each administrative unit must draft and approve its own General Urban Planning document, which is to be updated regularly within a maximum of 10 years.”

According to the research undertaken by the MRDPA during the last year, due to the lack of financial resources, 41% of the administrative units (urban as well as rural ones) in Romania have general urban planning documents older than 10 years, as these do not match anymore the current trends and needs of localities.

In the context of having urban data banks that are not finalised at administration level and of the lack of a general land registration, there are major difficulties in drafting/updating the urban planning documents.

From the quality point of view, due to outdated documentation, especially in small and middle-sized towns, we can notice gaps in terms of the lack of a strategic vision and complacency with simple development rules. In very many cases, the development strategies of the localities (even in the case of integrated urban development planning documents), one can easily see a lack of correlation between these and the provisions of the urban planning documentations.

The way in which the urban planning documentations are drafted and implemented is currently being reformed in compliance with European commitments in terms of integrated urban development as well as with the obligations regarding the implementation of the INSPIRE Directive.

xii. GDP share produced by the urban areas

In Romania, the gross domestic product is calculated at national and county level, without the possibility to disaggregate it by area of residence.

Analyses indicate that the country's revenue generation comes mainly from some important cities, equally distributed across the country. Bucharest is responsible for about 25% of Romania's GDP, with a significant increase compared with 1995, when only generate 15% of GDP. The 9 counties with the highest level of urbanization realizes 50% of Romania's GDP.

When considering the revenues generated by private companies, Bucharest-Ilfov region represents about 40% of the total, while the 10 largest cities generate over half (i.e. 53%) of the total revenue of the companies at national level.

xiii. Any other data regarding urban issues that are relevant for the National Report

Collaboration with the World Bank to improve urban development policies

Ministry of Regional Development and Public Administration implemented in the period 2012-2014 the project "Strengthening the capacity of spatial planning as a prerequisite for urban development" funded by grants through the Technical Assistance Operational Programme. The project was implemented with the support of the World Bank's expertise, using a specific methodology (Urbanisation review) that provided a comprehensive analysis of national and urban areas where proposed solutions for a better valorisation of their specific development potential to increase economic competitiveness.

Main results: Competitive Cities report, Reshaping Economic Geography of Romania, Report Strengthening the capacity of spatial planning. Precondition for sustainable urban development, Case studies: Cluj, Alba Iulia, Braila, 2 and 4 movies promotional brochures results.

Documents and promotional materials, in Romanian and English version can be found at the website: http://www.sdtr.ro/25/banca_mondiala

This project is part of a broader range of projects implemented by the Ministry of Regional Development and Public Administration in collaboration with the World Bank that focused on priority issues in relation to urban development, such as growth poles, urban deprived areas.

Drafting Romania's territorial development strategy

Romania's territorial development strategy is a long-term programmatic document which is shaped by the vision of development of the national territory for 2035 and is setting development goals, measures, actions and concrete projects at the local level. National spatial development perspective is based on strengthening the strategic position of Romania in relation to the main axis of continental and global development. This will be achieved by exploiting the natural advantages of the national territory and by designing a functional structure of the territory able to support sustainable economic growth. Aiming to strengthen competitiveness and territorial cohesion, Romania's territorial development strategy proposes a set of territorial development policies focused on different areas: urban, rural, mountainous, coastal zone border areas.

The main priorities are envisaged:

- Support polycentric development of the national territory and supporting the development of economic zones with international vocation;
- Ensure a high connectivity to small and medium towns to big cities;
- Support for the development of basic infrastructure by providing access to all localities to services of general interest;
- Strengthening cooperation between public authorities at different levels of government in order to ensure a harmonious development of the national territory.

The draft strategy is in course to be approved by the Government.

Background studies and draft strategy can be found at www.sdtr.ro and <http://www.mdrap.ro/dezvoltare-teritoriala/-2979>.