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Building Institutional Capacity for Implementing the National Climate Change Strategy in Romania

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¹Now, Ministry of Environment, Waters and Forests

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Abbreviations and Acronyms

ACOP	Administrative Capacity Operational Program
BAU	Business as usual
CAP	Common Agricultural Policy
CC	Climate Change
CCS	Carbon capture and storage
COP	The Conference of the Parties
CP	Climate Partner
CPN	Climate Partners Network
EBRD	European Bank for Reconstruction and Development
EEA	European Economic Area
EFA	Environment Fund Administration
EGO	Emergency Governmental Ordinance
EIA	Environmental impact assessment
EIB	European Investment Bank
ESCO	Energy services company
ESIF	European Structural and Investment Funds
ETS	Emissions Trading System
EU	European Union
FRMI	Forrest Research and Management Institute
GD	Governmental Decision
GDP	Gross Domestic Product
GHG	Greenhouse gases
GIS	Green investment scheme
GoR	Government of Romania
ICLEI	Local Governments for Sustainability - international association of local governments
ICT	Information and communications technology
IPCC	Intergovernmental Panel on Climate Change
IPPC	Integrated pollution prevention and control convention
ISO	The International Organization for Standardization
JI	Joint implementation
LAG	Local action group
LAU	Local authority unit
LCGGP	Low Carbon Green Growth Program
LEADER	Liaison Entre Actions de Développement de l'Économique Rurale
LULUCF	Land use, land-use change and forestry
M&E	Monitoring and evaluation
MAC	Mobile air conditioning systems
MARD	Ministry of Agriculture and Rural Development
MCSI	Ministry of Communications and the Information Society
MDBs	Multilateral Development Banks

MEF	Ministry of European Funds
MEFSP	Ministry of Employment Family And Social Protection
MESMEsB	Ministry of Energy, Small And Medium Enterprises and Business
MESR	Ministry of Education and Scientific Research
METT	Ministry of Economy, Trade and Tourism
MEWF	Ministry of Environment, Waters and Forests
MFA	Ministry of Foreign Affairs
MFF	Multi-annual financial framework
MPF	Ministry of Public Finance
MRDPA	Ministry of Regional Development and Public Administration
MT	Ministry of Transport
NAER	The National Authority for Energy Regulation
NAPS	National Authority for Public Servants
NCCC	National Commission for Climate Change
NEPA	National Environmental Protection Agency
NGO	Non-governmental organizations
NIS	National Institute of Statistics
NKB	Austrian National Climate Change Council
NKK	Austrian National Climate Change Committee
NMA	National Meteorological Administration
NPC	National Prognosis Commission
NRDIEP	National Research and Development Institute for Environmental Protection
NSEGE	National Service for Estimating GHG Emissions
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operational Program
OPTA	Operational Program for Technical Assistance
PNDR	National Program for Rural Development
PNR	National Reform Plan
PPP	Public–private partnership
PPU	Public Policy Unit
RAS	Reimbursable Advisory Service
RDI	Research and Development Investment
RES	Renewable Energy Sources
RMA	Romanian municipalities association
ROF	Internal rules of operation
SEA	Strategic Environmental Assessment
SMEs	Small and medium enterprises
SWD	Staff Working Document
UK	United Kingdom
UN	United Nations
UNEP	United Nations Environmental Program
UNFCCC	United Nations Framework Convention on Climate Change
WB	The World Bank

Executive Summary

Romania has committed to the development of a low carbon and green growth path, making green growth and action on climate change a national priority. At the national level, in 2013 Romania adopted the National Climate Change Strategy 2013-2020 as well as the National Strategy for Sustainable Development 2013-2020-2030. At the European level, the country adheres to the goals of the Europe 2020 Strategy as a member of the European Union, and is part of the process for establishing 2030 emission reduction targets of greenhouse gases (GHG). At the international level, Romania as a signatory of the Kyoto Protocol has committed to reducing emissions and being part of the global effort to evaluate, adapt to, and reduce the impact of climate change (CC).

An updated and more operationalized Romania National Climate Change and Low Carbon Green Growth Strategy for 2016-2030, supported by an action plan in 2016-2020, has been developed.

Romania's Low Carbon Green Growth Program (LCGGP), managed by MEWF with the technical assistance of the World Bank, operationalizes the strategic path the country has chosen. As mentioned above, the Government of Romania has already adopted a national CC strategy. To make it more effective, the LCGGP will be used to update and operationalize the current Climate Change Strategy for 2013-2020, supported by an action plan for 2016-2020. The CC Strategy and Action Plan, along with several additional reports, extends the timeline and operational planning of the initial CC strategy.

Romania will need to substantially build up its institutional capacity in order to respond to an evolving CC policy and implement the climate actions laid out in the new Strategy and Action Plan. Even as the country makes efforts to reach its 2020 targets, the European Union is seeking consensus for 2030 policies. Furthermore, within the larger international community, the aim of the 2015 COP in Paris is to establish further commitments and policy targets. Romania will need to develop the tools and institutional capacity to actively participate in these international negotiations, and subsequently design responsive, evidence-based policies at the national level.

The capacity building (CB) measures in this report are proposed in the context of a larger national effort to improve administrative capacity. Ever since Romania was negotiating entry into the European Union, and to various degrees since then, the country has been trying to reform its slow-moving and heavily bureaucratic administrative apparatus. This remains a stumbling block today, as shown in Annex 5 and is of particular concern for such a rapidly evolving policy area as CC. However, Romania has made commitments to improving overall administrative capacity in order to achieve the Europe 2020 goals, as seen in its National Strategy for Strengthening Public Administration. This report strives for synergy with those efforts, with the ultimate goal of efficiently implementing the LCGGP.

The purposes of the report are to analyze the current situation and areas for improvement in the capacity of implementing National Climate Change Strategy and provide recommendations on institutional capacity building. The report takes a gradual and long-term approach to addressing the challenge of building institutional capacity. The up to 2030 timeline means that measures proposed in the LCGGP will need to be revised over time, but the initial capacity building will need to be fairly intense in order to ensure a solid basis on which to build. The report has taken into account the currently slow pace of the legislative process in defining the timeline as having three stages: (1) the short-term—2016-2017; (2) the medium term—2017-2020—since the multi-annual financial

framework (MFFF) and many European and national Strategies stop the planning process in 2020; and finally (3) the long term—2020-2030—in order to provide a framework for efforts post-2020.

The breadth of actors who will be responsible for implementing the LCGGP expands across all sectors and levels. Possibly the most significant challenge for the implementation of the LCGGP is the fact that it is not seen as a multi-stakeholder issue but as the responsibility of the Ministry of Environment, Waters and Forest. Concurrently, the number of sectors that will need to actively monitor their GHG emissions continues to evolve and it has already been legally expanded to include aviation and marine transport. Furthermore, CC policy will need to be implemented following the subsidiarity principle, starting at the most appropriate level, including by local authority units (LAUs), the private sector, households, and the civil society as a whole.

A reformed National Commission for Climate Change (NCCC) can be the nexus of the coordination and implementation of CC policy. The NCCC has rarely met in a consistent manner, and operated under the sole responsibility of the MEWF, mainly approving Joint Implementation projects and not focusing on other climate policies. However, in order to implement the LCGGP inter-institutional coordination with regards to CC, NCCC will need to become functional and effective. Furthermore, the GoR will need to take responsibility for CC and ensure that it can receive and use feedback from the scientific and business communities, and take civil society input as a whole into account when formulating further climate action programs on the basis of the LCGGP.

The creation of a Climate Partners Network will bring all stakeholders to the table and leverage their cumulative climate change knowledge. NCCC's reform will allow it to have a channel for receiving input, but this in itself is not sufficient for fostering engagement with climate change across all levels. As a public-private initiative, the Climate Partners Network (CPN), would include all relevant stockholders and give them a way to organize, share information, and drive effective climate action. The CPN, which is inspired by a best practice in Norway, provides a solution for societal dialogue and knowledge transfer that carries a small administrative burden and low costs.

All recommended actions will rely on increasing the public's level of awareness, engagement, and participation. Across Romania the interest in and knowledge of CC and its effects are limited, including within public administrations, project managers, and designers and civil society as a whole. Therefore in order to ensure that interest and commitment to implementing the LCGGP is maintained, it will be essential to raise the status of CC and slowly build the general public's level of knowledge and the level of expertise among policy makers and project managers.

Monitoring and evaluation processes will need to provide the fodder for policy adjustments based on scientific research, national priorities and market needs. Romania's policy making and program design has not been historically built on a substantial basis of evidence. The policy process currently makes the aggregating, monitoring, and evaluating of data onerous and highly time consuming, if it is collected at all. The LCGGP has already provided Romania with some modelling instruments, for which it will have to build capacity. However a more robust monitoring and evaluation framework around CC data will need to be adopted for all future strategies, programs and projects.

In order to create effective capacity building measures, CC will need to be treated as national priority, comprehensively integrated into all levels of policymaking and budgets planning. The small amount of funds dedicated to CC programs, and the lack of effort to track the impact of those programs that were implemented over the years have shown that CC has not captured the imagination

of the Romanian administrations. The fact that the great majority of available ETS funds remain locked behind a non-functional law, is perhaps one of the best examples of how little attention CC investments have received. Nor is climate change part of the national conversation, except for the immediate aftermath of national disasters. This might change though, since European funds require that a minimum of 20% be used for climate action during the 2014-2020 period, and GHG emissions are now tracked as indicators for some of the operational programs. The national and local budgets will need to actively include CC considerations and allow for long term planning based on a solid basis of evidence. Public-private partnerships and pilot projects will be useful implementation tools in these efforts. However, capacity building for the implementation of the LCGGP is only a part of the larger national effort that Romania will have to undertake in order to create an enabling environment for CC investment.

1. Introduction

Romania has already been affected by climate change. The IPCC projections indicate that the climate will warm up over this century at least in line with global projections and precipitation patterns will shift so as to make winters wetter and summers drier. Already, in 2007, Romania experienced the warmest year in two decades (average temperature 11.5° C against a 25 year average of 8.4° C)^{2,3} and the most severe drought in the last 60 years while in 2005 there were historic floods, which caused 76 deaths and significant property damage. The effects of these extreme weather events adversely affected the country through significant economic loss in agriculture, transport, energy supply, and water management. Consequently, mitigation and adaptation to climate change are increasingly important priorities for Romania.

Thus, the government of Romania (GoR) is shifting its development path towards a climate resilient, low carbon and green economy. Driven by international developments, CC legislation is largely in place. However Romania has found it difficult to integrate CC policies across sectors and to identify priority actions based on clear evidence. Therefore, through the Ministry of Environment and Climate Change⁴, the Government has requested the World Bank to provide reimbursable advisory services (RAS) to help meet the Europe 2020 Strategy goals and increase Romania's CC implementation capacity. The main outputs are the National Climate Change and Low Carbon Green Growth Strategy⁵ and CC Action Plan, which will guide Romania's actions on CC and low carbon development until 2030. This report accompanies the strategy and is part of component A of the Romania: Climate Change and Low Carbon Green Growth Program, which is focused on implementation capacity building.

In order to implement its CC strategy and take advantage of available CC financing, Romania will need to improve its institutional capacity. According to the Romanian Partnership Agreement with the European Commission, about 30 billion euros will be available under ESIF for the period 2014-2020. Of these the EU Commission has decided that 20%, meaning about 6 billion euros for Romania, should be dedicated to CC compatible mitigation and adaptation actions in relevant sectors. In the Strategy, the World Bank has developed an analytical and knowledge base for policy simulations and decision making, but actual implementation will be the responsibility of national authorities. In the report describing the Administrative Capacity Operational Program, as well as in the Romanian National Reform Plan, authorities have recognized that there are important inefficiencies in the way institutions function and collaborate.

The purposes of the report are to analyze the current situation and areas for improvement in the capacity of implementing the national Climate Change and Low Carbon Green Growth Development Strategy and provide recommendations on institutional capacity building. The information presented in this report has been garnered from research by a team using primary and secondary sources, as well as extensive discussions with the main institutions and civil society actors involved. The team made an effort to capture a wide array of perspectives, in order to ensure that the proposals would be amenable to authorities, civil society and the business community as well. Considering that CC

²<http://www.weatherbase.com/weather/city.php3?c=RO&name=Romania>.

³Globally in 2014 the combined land and ocean average surface temperature for the January–October period was 0.68°C above the 20th century average of 14.1°C. Indeed the first ten months of 2014 were the warmest such period on record. <http://www.ncdc.noaa.gov/sotc/global/2014/10>

⁴Now, Ministry of Environment, Waters and Forests

⁵Referred to as the Strategy in this document.

awareness is low and that CC expertise in Romania is limited, the report proposes a gradual approach to build on current capacity while engaging with more of the relevant stakeholders.

After the introduction chapter, the current situation as well as the CC commitments that Romania has undertaken are presented in chapter 2. Chapter 3 provides the possible good practices that could provide inspiration for further reform. A contrast of the commitments with the current capacity and the available good practices has been substantiated in the analyses of capacity gaps that need to be addressed in chapter 4. The next chapter provides the avenues for breaching those gaps and sustainably building CC capacity in order to ensure the smooth implementation of the Strategy. Project management and financing is treated separately in chapter 6 since it has been an issue of particular concern and difficulty for the GoR. Finally, chapter 7 sets out the basic elements of a public engagement campaign that will be essential for making CC a national issue present in the awareness of the public authorities, civil society and general public alike. A comprehensive list of the proposed measures and their time horizons can be found in Annex 1.

2. Current Situation of Institutional Arrangements

2.1. Legal and Policy Framework

The current legal and policy framework consists of international legislation of which Romania is a party, European directives transposed into the national legislation, and regulations and decisions that apply, and Romanian legislation itself. The responsible authorities primarily attempt to fulfill the requirements of the UNFCCC Convention regarding policies and measures, institutional capacity, inventory, monitoring, and reporting, as well as the European policy on climate change and cross-cutting policies and measures, known as the climate-energy package. The list of EU policies and measures related to climate change is pretty large and should be part of the strategy of each member state. A summary of the implemented and planned policies and measures is presented on the working document SWD (2014) 336 final - Progress towards Achieving the Kyoto and EU 2020 Objectives⁶. Annex 1 presents the Inventory of EU legislative acts in the area of climate change. National climate change legislation serves to transpose international legislation, and there has been no attempt to initiate any other type of national climate change laws. Annex 2 covers a selection of the essential CC legislation that has been transposed into national laws.

In principle, the main national institutional coordination mechanism in Romania is the National Commission for Climate Change (NCCC). It was meant to create inter-ministerial coordination as well as to involve civil society in policy-making. However, although it was established in 2006, it has been operating only on an ad-hoc basis, mainly for during the period when Joint Implementation Projects needed approval. In late 2014, the legislative act establishing the commission was updated in an attempt to make it more effective. The newly reorganized NCCC is meant to be operating both at political and technical level and contains a broad range of institutions, playing a major role in strengthening the inter-institutional cooperation. The newly structured commission at the time this report was written has not yet been convened.

The Environment Law (updated EGO 195/2005) includes a requirement for other line ministries to have a department dedicated to dealing with environmental issues. In practice, since the passage of the law budget cuts and hiring freezes have meant that the departments have largely disappeared or been reduced to one staff member that has environmental responsibilities in addition to his or her main tasks. On an important side note, a Memorandum was approved at the governmental level in 2009, which referred to an obligation for each ministry to have dedicated personnel on climate change, but it was also never implemented.

2.2. Engaging with the International Climate Change Community

Romania has always been at the forefront of Climate Change, as evidenced by the fact that it was the first country in Annex 1 to ratify the Kyoto Protocol. In fact, much climate change policy and implementation in Romania has moved with the international agenda. As such, it is essential that Romania is capable of making sound, well-documented arguments in international forums in order to protect its national interests, while moving the climate change agenda forward sustainably.

⁶<http://data.consilium.europa.eu/doc/document/ST-15012-2014-ADD-2/en/pdf>

Institutional History of Climate Change Responsibility

1992-2000

1 MEWF Staff Member
Reports on GHGs are being performed by NRDIEP

2000-2004

2 MEWF staff members
Reports on GHGs are still performed by NRDIEP

The first form of the NCCC is created primarily to overview JI projects

2005

NEPA is created and has a CC division with 4-5 staff in charge of GHG inventory

2006-2011

The MEWF created a CC office with 5-8 staff. Personnel numbers vary over the period and many experienced team members leave for the private sector.

In 2007 the NEPA CC division gets responsibility over the ETS and the National GHG Registry

2011

Romania loses Kyoto Protocol eligibility due to issues with the National Registry and the inventory team staff increased with other 8 persons

2012 - 2013

The MEWF becomes the MECC and the NEPA team is brought instead under its authority (16 people). The overall CC team has 42 people.

2014 -2015

The MEWF returns to its previous title and the CC directorate now has 28 staff.

The most important international climate change forums in which Romania actively participates are the UNFCCC, Intergovernmental Panel on Climate Change (IPCC) and the European Union. Both institutions employ comitology, and most of their work and policymaking are produced in expert working groups whose outputs are later refined, and if need be ratified and implemented by member states.

The Ministry of Environment, Waters and Forests (MEWF) is currently the only national authority for CC and it upholds the national interest during international talks, in collaboration with the Ministry of Foreign Affairs and with the approval of the Romanian Government. Romania also has an EU Permanent Representative Cabinet who will, if possible, articulate the national position if ministry staff are not present at particular meetings. In the case of the UNFCCC there is an assigned national counterpart within the MEWF, who, sometimes with a small team, participates in COPs and other relevant sessions. Furthermore, due to the breadth, level of expertise, and sheer number of meetings that require participation, the MEWF has assigned the participation in certain technical expert groups to relevant research institutions, such as the NMA or the FRMI.

2.3. National Level Institutions with CC Responsibilities

The Ministry of Environment, Waters and Forests (MEWF) is the national authority on climate change. It coordinates the integration of environmental protection requirements in national law and sectoral policies, including setting up judicial, institutional, administrative or financial instruments in order to stimulate the integration of CC in sectoral policies according to GD no. 38/2015. MEWF also has the responsibility of reporting to international and European institutions on climate change.

The Environment Fund Administration (EFA) is an institution under the authority of the MEWF, which collects various environmental taxes and levies. It also develops financial instruments and programs open to targeted groups, though very few have been concerned with climate change due to their limited exposure to the

topic. The programs that have been implemented, such as a car allowance rebate system or a small residential housing renewable efficiency program, have had limited to no monitoring or evaluations of CC indicators.

National Environmental Protection Agency (NEPA) is the main institution with responsibilities in the monitoring of environmental quality and of implementation environmental policies, also under the authority of the MEWF. In 2013 its CC division was moved to the MEWF itself and therefore it no longer has any responsibilities in implementing CC policy beyond limited data gathering through its county level EPAs.

The National Meteorological Administration (NMA) is under the coordination of the MEWF. It is governed by public law and it is responsible for extreme events monitoring and meteorological research (including climate change) in Romania.

The Ministry of Economy, Trade and Tourism (METT) is the central public authority responsible for developing policies and strategies in the fields of industrial policy, competitiveness, trade and tourism. However, at this time, there is no programming document that could include CC considerations. In the Directorate of Industrial Policy there is one person with responsibility over environmental issues, mainly by reporting on variables monitored due to various directives in the environmental acquis.

The Ministry of Energy, Small and Medium Enterprises and Business (MESMEsB) is responsible for energy policy/strategic planning, development policy for the creation of SMEs and for developing a balanced business environment. MESMEsB manages the equivalent allocated emission allowances and the implementation of the associated National Investment Plan, which was developed in order to help the Romanian industry sector limit their emissions. There are two people in the General Directorate for Energy and Environment who deal with environmental issues, again generally related to reporting on relevant variables (waste, biofuels, etc.). Overall, knowledge about climate change implications within the ministry is rather low, and collaboration with MEWF is very limited.

The National Authority for Energy Regulation (NAER) is a regulatory body under the authority of the Romanian Parliament. It plays an important role by regulating the energy market, energy efficiency and renewable energy. NAER is responsible for monitoring and reporting on the implementation of National Action Plan for Energy Efficiency, as per Directive 2012/27/UE.

The Ministry of Transport (MT) is responsible for all transport sectors (air, sea, road, rail), as well as the afferent infrastructure (roads, railways, air infrastructure, shipping, etc.), with the exception of urban transport, which is covered by local authorities. It is responsible for national infrastructure policy as well as for the economic policy of transport.

The Ministry of Regional Development and Public Administration (MRDPA) is responsible for regional development, cohesion and territorial development. This includes spatial planning, urbanism, thermal rehabilitation of buildings stock; it is also responsible for administration reform, taxation, and local finance. Due to its regional authority the MRDPA has the potential to play an important role in CC policy development at the territorial level in both reducing GHG emissions and adapting to the effects of CC.

National Authority for Regulation of the Communitarian Services for Public Utilities is under the coordination of MRDPA and is responsible for regulation and monitoring at the central level of the activities in the field of the communitarian Services for Public Utilities, according to Law 51/2006,

republished and updated in 2013. Considerations on improving the energy efficiency and CC related standards for public services, for example, will require the assistance of this institution.

The Ministry of Agriculture and Rural Development (MARD) is the central body responsible for policies on agriculture, rural development, conservation and sustainable land development, and irrigation and drainage measurement. It plays a key role in policies and measures on CC adaptation.

The National Institute of Statistics (NIS) represents a main source of data and information for the GHG Inventory. GD no 1570/2007 as amended by GD no 668/2012 established very clear responsibilities for the NIS to collaborate with the MEWF on the GHG Inventory, most importantly on the energy balance, industrial processes, etc.

The Ministry of European Funds (MEF) is responsible for managing four operational programs⁷ for the 2014-2020 programming period, and will therefore play an important role in the way that the 20% of funds intended for climate change programs are used.

The Ministry of Foreign Affairs (MFA) plays an important role in international climate change diplomacy and negotiations. It is the national coordinator and technical point of contact for the "Europe 2020 Strategy".

The Ministry of Public Finance (MPF) is one of the administrators of international climate change financial instruments used by the Romanian state (ex: trade of AAUs, EU – ETS auctions revenues, savings from the New Entrance Reserve of Joint Implementation etc.). The MPF created its own department dedicated to administering income from the auctioning of EU-ETS certificates.

The National Prognosis Commission (NPC) is responsible for short, medium and long-term socio-economic prognosis and modelling in accordance with the government program and national strategies. It has been involved in the work of developing the modelling under the Component C of this RAS.

The Ministry of Education and Scientific Research– should play an important role on climate change research and education but has not yet made climate change a priority.

The National Institute of Public Health is subordinate to the Ministry of Health and has four National Centers. One of the four centers, the National Center for Monitoring Risk in the Community Environment, prepares an annual report on "Impacts of climate change on human health" which it sends to the Ministry of Health.

The National Institute for Hydrology and Water Management is a research institute specializing in integrated monitoring of water resources. The institute elaborated on the Flooding Risk Management Strategy, and generally manages information related to flooding.

The Institute of Forest Research and Management is a research institute concerned with monitoring and researching Romania's forest fund; this institute has an important responsibility for the Land Use, Land-Use Change and Forestry (LULUCF) chapter of the GHG Inventory.

The National Research and Development Institute for Soil Science Agrochemistry and Environment is a research institute under the authority of the Ministry of Agriculture and Rural Development and is specialized in the study of soil quality, agriculture and environmental protection.

⁷Operational programs for Large infrastructure; Competitiveness; Human Resources and Technical Assistance

The Institute of Geography of the Romanian Academy is an academic institution specializing in natural geographical framework and environmental research.

The National Institute for Research-Marine Development “Grigore Antipa” is the National Center for Oceanographic and Environment Data and the national operator for integrated monitoring of the physical, chemical, and biological marine environment. It is a Regional Activity Centre for environmental issues in the management of fisheries and other living marine resources. This institute is under authority of MEWF.

The National Research and Development Institute GeoEcoMar works in the field of geology, geophysics and geo-ecology with an emphasis on aquatic environments, marine, deltaic and fluvial.

The National Research and Development Institute for Environmental Protection (NRDIEP) is under coordination of MEWF and works in the development of fundamental and applied research and technology, preparation of studies, summaries and forecasts for national programs, and strategies in environmental protection.

2.4. Local level arrangements

The Local Environmental Protection Agencies (EPAs) have 41 offices throughout Romania at the county level. These report to the NEPA but are also subordinated to MEWF and may report straight to it. They are responsible for the implementation of the environmental policy and legislation. Regarding climate change they act mainly as some data providers for the national GHG Inventory system.

The Local Authority Units (LAUs) at the county, city or locality level do not have any legal obligations to implement local climate change policies. There are only a few examples of LAUs that have decided to implement local policies on a voluntary basis. Most of those are generally part of the Covenant of Mayors.

2.5. Other relevant bodies

The Covenant of Mayors is the main European movement involving local and regional authorities, voluntarily committing to improving energy efficiency and increasing the use of renewable energy sources in their territories. Covenant signatories commit to meeting and exceeding the European Union 20% GHG reduction targeted by 2020. Romania has 56 mayors who have signed the Covenant, most of whom represent municipalities, followed by cities and one county council (Arges). Of these, 45 have already submitted their action plans and committed to an emission reduction target. The submitted and approved action plans can be consulted on-line on the web page of the Covenant of Mayors⁸. Municipalities that have submitted the Action Plan earlier (2011 – 2012), have already started to monitor the results.

2.6. Industry and private sector

Industry and private sector CC interests are primarily voiced by those who are part of multinational companies; they benefit from the support of the company's headquarters in developing individual strategies and studies. They will lobby the ministries through their representatives, particularly when

⁸Found in the Actions section here: http://www.covenantofmayors.eu/actions/sustainable-energy-action-plans_en.html?city=Search+for+a+Sustainable+Energy+Action+Plan...&country_seap=ro&co2=&date_of_approval=&accepted=

new targets or standards are negotiated at the EU level, or when new directives are transposed into national legislation. The company studies and papers will often be presented to the ministry along with written positions and an expectation of dialogue and meetings. These practices are often used by those belonging to high GHG emission sectors, such as the cement industry, steel industry etc. Others have found that climate change policy can help improve their market position, as in the case of railways that have a relatively small climate change impact.

It is important to note that there are no institutional tools to communicate with these representatives. In fact, any kind of communication is done on a voluntary basis, and only at the request of those stakeholders.

2.7. NGOs

The Romanian Municipalities Association (RMA) is represented in the Committee of the Regions in Brussels, and has a representative office there. RMA also supports and assists municipalities that have signed the Covenant of Mayors in their effort to fulfill their duties. It is an associated member of ICLEI. RMA will often fundraise for implementing projects that help their constituents complete the inventory or prepare the CC action plans. Without RMA's fundraising and contracting expertise, many municipalities would have difficulties in submitting their CC action plans. The organizations representing other territorial units have expressed minimal or no interest in CC issues, including the Romanian County Councils Association, Romanian Cities Association and Romanian Commune Association. Also there is currently no coordination between MEWF, those associations and local authorities.

There are a few non-governmental organizations (NGOs) involved in environmental policies, but few that focus on CC. Terra Mileniu III is one of the few, and it has maintained a singular and consistent focus on the issue for over 18 years. It also develops awareness activities and assists local authorities in creating local strategies to reduce GHG emissions, often partnering with RMA. Terra Mileniu III is also the founding member of the Federation Climate Action Network Romania that is comprised of 13 Romanian NGOs and is the focal point under UNFCCC article 6.

REC Romania also develop CC projects and help improve knowledge of CC challenges and energy efficiency opportunities for local authorities, NGOs and other target groups.

Greenpeace Romania also carries out awareness campaigns on climate change. As in the case of local authorities, there is not any mechanism for communication and coordination between MEWF and NGOs, and many opportunities for fund raising or projects implementation are consequently missing.

In Romania there are a number of investors' associations and councils, and other representatives of interest groups. Annex 3 presents a list of other entities who have also been actively engaged in talks with the MEWF on the topic of CC.

2.8. Romanian Best Practices

There are some good practices in Romania. At the local level, the local authority of Avrig City shows one example of leadership and clear vision on how to meet the risks and opportunities of climate change. After setting up its local action plan, the local authority of Avrig publicly presented its vision on how to reach the target for 2020, and also accessed money in accordance with its priorities. Avrig

city set its target at 22% reduction until 2020. To reaching this target, they set up three main pillars, each of them with specific objectives, as follows:

- 1) Energy Management
 - a) Creating a structure responsible for the implementation the local energy plan.
 - b) Monitoring the reducing public buildings consumption.
- 2) Awareness and Education
 - a) Awareness of environmental protection.
 - b) Awareness of producing and using renewable resources.
 - c) Education around using modern techniques of energy production.
- 3) Green Energy Acquisition
 - a) Developing an aggressive marketing policy.
 - b) Accessing specific programs.
 - c) Supporting citizens in buying this type of energy.

At the regional level, the Central Region is the first Romanian region to start developing a regional climate change policy, based on a program financed by the Norwegian EEA Grants (RO 07). The program supports the local public authorities in three municipalities in Romania's Central region in their implementation of current legislation on climate change by developing strategies and plans about adaptation to climate change. The program will also support the execution of meteorological studies on regional and local climates. Moreover, the program will pilot climate change adaptation solutions for the transport, energy, and construction sectors. The program's beneficiaries are regional and local decision makers and authorities, the research and education community, NGOs, civil society, and the general public.

3. National Commitments and International Best Practices

This chapter first introduced the commitment of the Romanian government to strengthening its institutional capacity for climate actions and then provide some international best practices in policies and measures to address climate change. They together help set the bar for institutional improvement in Romania.

3.1. National Commitments

The GoR has committed to fulfilling the ample requirements of the UN and EU for combating climate change. It is committed to fulfilling climate change obligations due to EU membership. While the legislative framework of these commitments has been discussed in section 2.1, the commitments come with a set of targets for emission reductions. Since 2007 the installations covered by the EU ETS provisions are participating in the trading mechanism established by Directive 2003/87/EC based on the “cap and trade” principle.

Smaller installations, and those in less energy-intensive sectors, face country-specific targets stating that emissions from non-ETS sectors cannot be more than 19 % higher in 2020 than they were in 2005. Furthermore, Romania has committed to achieving, by 2020, a 24 % share of energy from renewable sources in their gross final energy consumption (up from 18 % in 2005).

Improving cross-sectoral CC integration will be part of Romania’s overall effort to address dysfunctional horizontal policymaking processes. In the Partnership Agreement, Romania noted a distinct lack of coordination between ministries and entities that coordinate intra-sectoral responsibilities and a high degree of administrative fragmentation. In fact, the MEWF, METT, and MT in particular are mentioned as being in need of administrative capacity measures. In the document the GoR commits to providing support to help these ministries develop their administrative capacity and their responsibilities regarding the use of Cohesion funds. Since CC policies are fundamentally cross-sectoral, and will be a part of many programs supported by Cohesion funds, the proposals included in this report should garner the full support of Romanian authorities.

Romania’s efforts to improve public administration management and expertise will also help boost CC administrative capacity. The National Reform Plan discusses a reassessment of the management standards in public administration units, including the formulation of new national strategies for training public servants. This would include specialized training programs on priority sectors, including on the subject of climate change, for many employees, not just those in management positions. Essentially, the focus will need to be on providing support for MEWF staff to get management skills, while staff in other ministries build up their CC knowledge, resulting in an overall increase in capacity. Furthermore, the National Reform Plan states that over 400 public servants would be instructed on the EIA and SEA procedures, which would be immensely useful in the implementation of CC M&E.

In Romania’s Environment Law the GoR included a requirement for all central public authorities to integrate environmental policies into all sectoral policies. In article 80 of EGO 195/2005, all central authorities are obliged to revise their sectoral strategies and policies with environmental policies in mind, to seek environmental approval for relevant plans and programs. And, perhaps most importantly, to have units with personnel specialized in dealing with environmental concerns. If these provisions were leveraged to clearly include CC awareness and knowledge, Romania’s CC administrative capacity would increase significantly.

3.2. European Best Practices

There are various experiences in implementing climate actions in developed world, especially in EU countries. The following represents some of the cases that may prove useful to Romania.

3.2.1. Multi-stakeholder approach - Austria

Austria's approach to making and implementing CC policies is a good example of the decentralization of the decision making process and multi-level implementation.

In Austria, according to the sixth Austrian National Communication on Climate Change, the Federal Ministry for Agriculture and Forestry, Environment and Water Management has a coordinating function with respect to the overall climate change policy.

However, responsibility for measures to reduce greenhouse gas emissions and to fulfill other obligations of the UNFCCC and the Kyoto Protocol is distributed across several federal ministries and other territorial authorities (Länder, municipalities). Different committees have been established In order to support the coordination of climate-change-related measures.

In 2011, based on the Climate Change Act, two groups on climate change were founded by law: The National Climate Change Committee (NKK) and the National Climate Change Council (NKB).

The NKK consists of high level representatives of the Länder, six federal ministries involved in climate change (Environment, Finance, Economic, Transport, Health, Justice), and the four "Social Partners" (Trade Unions, Chamber of Labour, Chamber of Commerce, Chamber of Agriculture).

The NKK is supported by the so called National Climate Change Council (NKB), which is composed of, i.e., representatives from science, energy and industry interest groups, environmental NGOs and the six political parties represented in the first chamber of the Parliament (Nationalrat).

Both groups are co-chaired by the Head of Environment Department of the Federal Ministry of Agriculture, Forestry, Environment and Water Management and one representative of the Länder, alternating on a rotating basis.

3.2.2. Program Design – United Kingdom

Developing programs that support the implementation of climate change strategy and action plans is another important issue necessary for robust climate action outcomes. Planning of the programs requires funds and the allocation of human resources as well as dedicated institutions. The UK government has valuable experience managing such programs,⁹ and targeting them appropriately. In order to implement the Climate Change Strategy and Action Plan, a number of programs were developed and financed by the UK government:

- The Sustainable Consumption and Production Program will help reduce emissions across the economy by helping individuals, organizations and the Government operate in a more sustainable, and lower-carbon, way.
- The Waste and Resources Action Program is Defra's principal delivery body responsible for implementing the Government's policies to minimize waste and improve the efficiency of

⁹ DEFRA Climate Change Plan 2010 - <https://www.gov.uk/government/publications/defra-s-climate-change-plan-2010>

material resources. They are currently focusing on four priority areas: packaging, food waste, collection systems, and quality of materials.

- The Green-Works furniture reuse program sells high quality furniture from large organizations back into local communities – charities, small businesses, and volunteer organizations – for a fraction of their original price, or donates it to poor communities overseas.
- The Government also supports a number of programs to encourage businesses to sustainably consume water, such as the Enhanced Capital Allowance scheme for water efficient technologies.
- The Community Energy Saving Program addresses both carbon reduction and fuel poverty.

3.2.3. Dedicated Implementation Funding – UK, Poland, Slovenia

The creation and sound management of a **dedicated fund** to support climate action can be a cornerstone for efficient policy implementation.

One example is the UK Green Deal Home Improvement Fund,¹⁰ which functions as an incentive scheme open to all homeowners in England and Wales aiming to improve their household's energy efficiency.

Poland¹¹ is also using a National Fund for Environmental Protection and Water Management, and the Voivodeship Funds for supporting measures to reduce greenhouse gas emissions, improve energy efficiency, develop renewable energy sources, and modernize energy generation.

3.2.4. Employing subsidiarity

Slovenia has instead relied on the principle of subsidiarity and has placed considerable responsibility for climate change on LAUs and regions, as described in its Sixth National Communication UNFCCC. In Slovenia, all municipalities prepare a local energy concept which is approved by the ministry responsible for energy. Municipalities adopt important decisions to reduce GHG emissions, which is also within the scope of drafting municipal spatial plans.

To prepare local energy concepts, implement efficient energy use measures, and exploit renewable resources in municipalities, there are eight local energy agencies. They were set up by the municipalities with support from the state and from European programs. The agencies connect these municipalities to a wider geographical area.

3.2.5. Climate Partners – Norway

Climate Partners are regional Private/Public Partnership networks in Norway focusing on how to reduce Green House Gas emissions and develop a green economy within a region. There are currently two regional networks: Klimapartnere Agder and Klimapartnere Hordaland, each of which may contain counties, cities, some other public partners including universities and research centers, and a number of private companies. These 45 partners employ a total of 22,000 people. The Climate Partner regions cooperate closely, and share knowledge and best practices on a frequent basis. Climate partners in Norway work together on:

- Developing products and services for tomorrow's low-carbon society.

¹⁰ <https://www.gov.uk/green-deal-energy-saving-measures/overview>

¹¹ Poland Sixth National Communication -
http://unfccc.int/national_reports/annex_i_natcom/submitted_natcom/items/3625.php

- Inspiration, methods, and tools for cutting GHG emissions in their own businesses
- Influencing the policies and conditions for sustainable innovation.
- Networking and knowledge sharing internationally through cooperation with the United Nations Environmental Program and ICLEI.
- Promoting the organizations and the regions locally, nationally, and internationally.

The partners are obliged to:

- Hold an environmental certification (Eco-lighthouse, ISO or similar recognized standards), or start certification in the first membership year.
- Prepare annual climate footprint reports following the international GHG Protocol.
- Prepare an action plan to reduce greenhouse gas emissions in their own organization.
- Pay an annual membership fee.

Producing and sharing knowledge. Increased knowledge provides a better basis for strategic choices towards a low-emission society. Climate Partners collaborates with national and international experts in the field to produce publications in relevant disciplines. Climate Partners share their knowledge by making these publications freely available on www.klimapartnere.no

Communication and dialogue. Communicating their own climate commitment with credibility in an inspired way is important for Climate Partners. Therefore a priority for the network is cooperating on increasing knowledge around climate management, as well as climate-and environmental communications. Climate Partners uses its international network to create meeting venues and dialogues with prominent, inspirational, and key decision makers.

Results. Climate Partners shows remarkable and tangible results. Partners in Agder, who have prepared Climate Footprints over four years, have reduced GHG emissions by 21%. A number of new green products and services have been developed, including a concept for certified green conferences and climate neutral publications. In addition, focus and projects have led to implementing new hybrid buses in the city of Arendal, new low-emission buildings, and climate leadership programs, including employee involvement and an increased focus on green purchasing in particular from the public partners around developing a green regional market. Partners in Hordaland have just started and hope to achieve similar results using the same methods.

3.2.6. Good Public Engagement

Austria¹² has a clearly defined policies regarding education on environment, which was implemented in 1979. Since 1979, Environmental Education (EE) has been a principle of instruction and has been integrated into the curricula of general education and—since the beginning of the 1990s— also into those of the vocational school system.

The Constitutional Decree “Environmental Education in Schools” (edited 1985, re-published 1994) defines the main aims of EE: Action competence; experiencing of democratic attitudes, and behavior in order to enable learners to be active in political life. This decree was the first national document to support EE-oriented project teaching, and was the stimulus and the basis for the development of EE in Austria.

¹²Austria’s 6th National Communication UNFCCC

The Austrian Strategy for Education for Sustainable Development was tabled by the Federal Ministry for Education, Arts and Culture, the Federal Ministry for Agriculture, Forestry, Environment and Water Management and the Federal Ministry of Science and Research and passed the Austrian Council of Ministers on November 12, 2008.

Finding pathways to make CC knowledge easily accessible as part of higher education has been important for Denmark as well. **Denmark** is offering a good example of an e-learning course in Climate Change Impacts, Adaptation and Mitigation, developed by the University of Copenhagen in close cooperation with the Danish Meteorological Institute, UC Berkeley and Australian National University. The course focuses on the impacts of climate change, and the human response to climate change.

Through remote learning the course can be taken from anywhere in the world and it is open for master degree students and continuing education students with a relevant bachelor degree in natural science, social science and economics (www.climate-change.dk).

Another example of cooperation between the university and business sectors for complying with the new requirements of green growth can be found in Belgium¹³. A training session organized jointly by the Universities of Louvain and Liège on strategic carbon management was set up under the competitiveness cluster GreenWin (horizontal axis —training) in 2012. In fact, the number of green jobs in industries linked to ecology is increasing significantly; there are therefore clearly opportunities for growth and jobs. Sectoral agreements between the industrial sector (chemicals, paper, steel, glass, cement, etc.) and Wallonia show the business world's awareness and commitment of to the question of greenhouse gas emissions.

The introduction of climate change into vocational and professional education and training is very important as well. **Germany**¹⁴ is a good example of integrated curricula and inter-sectoral qualification. All newly created or revised occupations in the trade/ technical and commercial/administrative fields that are recognized as requiring official qualifications follow the principle of integrated action contexts and contain at least one element in their job descriptions relating to environmental protection. In addition, environmental protection is included in the training curricula. For example, environmental occupations and those in the chemistry and pharmacy fields include relevant aspects of sustainable development under the “responsible care” part of the job description. Commercial occupations in the tourism and travel industry likewise include special qualifications in sustainability and the environmental aspects of tourism.

The expansion of renewable energy affects all sectors that use renewables to generate energy. Existing occupational training curricula now incorporate skills and knowledge in the field of renewable energy, ensuring a broad skills base in this field.

Involving commercial entities has also been successful in **Switzerland**. Many Swiss companies are undertaking voluntary efforts to minimize their climate-impacting emissions and contribute to climate protection. Some have even decided to voluntarily compensate their (unavoidable) CO2 emissions, mainly by using carbon offset projects.

- Examples of climate-neutral services: The first fully climate-neutral hotel chain in the world is located in Switzerland. In addition to their effort to reduce emissions through energy efficiency

¹³Belgium's 6th National Communication UNFCCC

¹⁴Germany's 6th National Communication of CC UNFCCC

and other climate-friendly measures, the hotel chain offsets its remaining emissions. Swiss youth hostels also offer guests the option of a climate-neutral overnight stay. Examples of other climate-neutral services are flights, printing, sending of letters and packets, heating, driving, or car sharing etc.

- Examples of climate-neutral products: There are several companies offering climate-neutral products, such as food and drinks, T-Shirts, bouquets, vegetable gardening, etc.

3.3. Kyoto Article 10 Commitments

Germany could be a good example for ways in which to fulfill Kyoto article 10 commitments around aid to developing countries. The International Climate Initiative, which the federal government set up in 2008, supports activities in developing countries, and emerging economies and transition countries. A key element in the International Climate Initiative's public awareness activities is its website at www.bmu-klimaschutzinitiative.de/international. Brochures and events back up the website. Although Romania's status has so far ensured it has no responsibilities under Article 10, it has taken on voluntary commitments in terms of CC aid for Moldova.

3.4. Guiding Principles of International Climate Finance

The Multilateral Development Banks (MDBs)¹⁵ set out their principles for monitoring climate finance in the 2014 Joint Report on MDB Climate Finance,¹⁶ issued in 2015. The Document contains guidance sections for finance tracking methodologies. This could be a valuable input in Romania's efforts to create the guidelines for the projects discussed in the strategy.

Mitigation. The MDBs had agreed to a set of common principles for climate mitigation finance tracking that they use in their reporting¹⁷, since internal methodologies may otherwise vary. In Romania the general approach will largely rely on Implementing Regulation EU 215/2014, but the MDB principles may still provide a good starting point for guidelines.

The approach of EU Regulation no. 215/2014, built on the Rio Markers, is not as effective in evaluating adaptation projects, and here the MDB approach may be more useful. In terms of adaptation finance tracking the MDBs have set out three principles:

- (1) Placing the projects in the CC vulnerability context, based on a strong evidence base – which in Romania would mean using and understanding the results of national and regional climate modelling;
- (2) Making an explicit statement of intent to improve adaptation to CC through the project – which would include a thorough discussion of specific local factors;
- (3) Articulate a clear and direct link between project activities and reducing climate vulnerability. In the case of MDB's, only those project activities that explicitly address CC are reported as climate finance, which does not seem feasible in Romania considering current legislation and the administrative burden it would create.

¹⁵Includes the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the InterAmerican Development Bank (IDB), and the International Finance Corporation (IFC) and World Bank (WB) from the World Bank Group (WBG).

¹⁶ <http://www.worldbank.org/content/dam/Worldbank/document/Climate/mdb-climate-finance-2014-joint-report-061615.pdf>

¹⁷ <http://www.worldbank.org/content/dam/Worldbank/document/Climate/common-principles-for-climate-mitigation-finance-tracking.pdf>

4. Assessment of Institutional Capacity Gaps and Areas of Improvement

With primary legislation in place, Romania needs to find ways to implement programs and monitor their performance. A serious impediment to effective CC action is the fact that CC is fundamentally a cross-sectoral policy implemented by the MEWF, which has authority over only a fraction of the relevant issues. For example, ETS funds have stayed largely untouched due to an implementation mechanism that is incapable of analyzing national CC sectoral priorities and selecting appropriate projects. Other ministries, who had the possibility to access the funds made minimal or no attempts to do so. Conversely, even when a policy is put into place there have been no available tools for monitoring performance, as in the case of housing stock energy efficiency programs. Climate change finance¹⁸ has spurred innovation internationally, and Romania will need to build its capacity and expertise if it is to implement the strategy effectively and make good use of the funds it is able to access.

Private climate research and development, as well as overall CC investment, will need to be supported and fostered by public policy. The Strategy identifies key actions different sectors of the economy must take in order to reduce GHG emissions relative to the current Business As Usual (BAU) scenario. The relevant sectors are: energy, transport, industrial processes, agriculture, forestry, other land use, and waste. In order to meet the GHG emissions reductions targeted for 2030 overall, Romania can no longer count on “economic shocks” as it did in the first commitment period (2008-2012 vs. 1990). Additional investments will be needed in order to reach the target while the country maintains an acceptable level of economic growth, and while some public funds will be available, the bulk of investments will need to be made by the private sector. This is particularly important for Romania, as the Strategy identifies several household energy efficiency measures that have negative costs (the benefits exceed the costs).

As new international CC commitments are created, Romania will need to be less reactive and engage more stakeholders. Developments within the EU and UNFCCC mean that new targets are being designed for 2030. So far in EU CC negotiations, Romania has been largely passive and failed to make its voice heard at times, due to the lack of support structures for formulating a clear and timely message. If Romania is to become a more active player in the climate arena, it will need the tools to quickly analyze the potential impact of various policies may have within the country in order to formulate a national position, so it can argue with a stronger voice. It also means that there should be a procedure to ensure that the array of stakeholders likely to be affected by new CC legislation is kept informed of developments and consulted quickly so that authorities have a comprehensive understanding of any cross sectoral impact.

CC expertise is extremely limited at the operational level, which impacts all aspects and levels of CC policymaking and the capacity for future planning. The Romanian educational system has not yet adapted to the current market requirements and political changes to introduce climate change specializations into the curricula. There are some technical programs in terms of construction, particularly on energy efficiency, but those are generally of limited scope. In addition, climate change forums and platforms are missing at the regional or local levels in particular, and there are no exchanges of good practices between stakeholders. Thus any accumulated expertise is not shared or

¹⁸ Such as IEE, Life, Horizont 2020

maintained. Consequently, there are only a few Romanian experts who have either been trained abroad, or worked in the field in Romania. The private sector will attract most of those experts, therefore public institutions often cannot find the type of personnel they will need to effectively design and implement CC policies.

4.1. Capacity gaps/needs in terms of engaging the international CC Community

Romania lacks the capacity and coordination necessary to participate effectively in international CC debates and European policy-making. The CC agenda will likely continue to be driven by international developments, which in turn will impact the implementation of the Strategy. Furthermore, since so much of Romanian CC legislation is essentially the transposed European legislation, participating actively in the European process is a matter of national interest and will be highly impactful on the implementation of the LCGGP. Following discussion with authorities and experts, four major issues hindering Romania's ability to more successfully engage with the international community were identified: representation, synergy, expertise and evidence based policy making, and transparency.

Representation – Romania currently lacks a strong voice in the international climate change arena. Cost cutting measures have reduced the staff of public authorities, and there have been times with no Romanian representatives or very small teams at committee meetings. Furthermore, the UNFCC focal point will participate in all CC related workgroups taking place without necessarily having a high degree of expertise in most of the debated topics. In addition, there are technical groups that require specific technical expertise and in that case staff of appropriate subordinate research institutions will be sought. Institutions like NMA and the FRMI, among others, represent Romania successfully, but experts for other technical groups have generally been harder to find. While there are qualified Romanian professionals, the process of finding and assigning them can be opaque or non-existent.

Synergy – Successful negotiation of cross-sectoral issues like CC requires functional intra-institutional communication at the national level. CC policy negotiations require effective trans-sectorial policy coordination, which will need further attention. Since CC is not high on Romania's political agenda, sectoral issues with CC implications will be considered solely on criteria used by the authority responsible for the sector, rather than attempting to work in synergy with the Strategy. Furthermore, the information needed to make these decisions in an integrated way is frequently only available to the sectoral authority, with no easily available channels for communicating it efficiently to other relevant authorities.

Expertise and evidence based policy making – Romania has technical experts but not an ample capacity for policy analysis. The Romanian GHG Inventory and Registry are now quite effectively reporting on GHG emissions in Romania and the functioning of the ETS scheme. However this type of data in itself is not sufficient for making decisions regarding the impact of any particular new policies being negotiated at the international level. The type of socio-economic information needed for negotiating on LULUCF for example cannot be based simply on carbon emission levels, which are immediately available to the MEWF. Since there is so little cross-sectoral information and expertise on evaluating it, in the case of major policy decisions ministries will initiate the procurement of studies undertaken by third parties. However, due to bureaucratic processes or lack of funding, the studies will often be initiated very late in the negotiating process, and they will be rushed and costly. Furthermore, the third parties will largely need to do the cross-sectoral coordination and obtain the information from the other relevant national authorities, delaying the process even further since data

transparency is so low. As a result Romania will often only be able to formulate a position late in the negotiating process, and not always on the most solid evidence basis.

Transparency – Reaching a climate change negotiating position for Romania is challenging and does not involve a stakeholder consultation process. Despite public disclosure legislation the actual engagement with the public, and more importantly with researchers and experts, remains limited. Positions in the negotiating process are not made public prior the meetings and do not benefit from exposure to the public eye. Furthermore, since technical input is limited and negotiating a national position on any given policy at the EU level occurs late in the process or not at all, final decisions will often be taken at the last moment by the top leadership without any explanations to or further debate from other stakeholders.

4.2. Administrative capacity gaps/needs at the national level

CC is not generally seen as a national priority in Romania, except in the situation of dealing with urgent national disasters. Few line ministries have taken CC up as an issue on their agenda or react promptly to the requests of the MEWF on CC. The CC as a whole does not generally stir much interest in governmental debates. The lack of interest is reflected in the comparatively low allocation of funds within the national budget towards climate change¹⁹. The issue only surfaces in the aftermath of significant failures, such as Romania's loss of eligibility for participation in the flexible mechanisms of the Kyoto protocol, or major natural disasters associated with climate change, such as drought or flooding. When it is brought up in parliamentary debates, it is seen exclusively as an issue of environmental protection, though aspects of social protection are considered when associated with floods.

4.2.1. Administrative capacity gaps/needs at the ministerial level

The CC policymaking process is highly bureaucratic and can at times be slow and ineffective. The procedural steps associated with any decision making mean that even minor changes to legislative acts can take nearly a year to enter into law. The number of internal and external approvals necessary has meant that even relatively small changes to the document regulating the NCCC have taken quite long to become official. The same issues that make policymaking cumbersome and inefficient nationally also affect CC policymaking, particularly since it is by nature cross-sectoral, and requires a long term approach without having immediately visible results. CC also has a multitude of public policy implications that do not manage to move past the theoretical stage in Romania. It should be emphasized that all ministries have a department of public policy, which should be consulted in the first steps of public policy development. Unfortunately, these departments are rarely responsible for more than just reporting to the General Secretariat on Government policies or working on narratives about the Government Program, including within MEWF.

Sound long-term planning, including indicator monitoring and evaluation, has not been used consistently so far. As mentioned before, CC awareness among national level authorities is quite low. While the concept of CC is somewhat known, the policy implications for each sector are not. Few sectoral strategic planning document to date has clearly defined either objectives on CC or implicit targets and monitoring indicators. The most attention paid to the topic is the use of the phrase "in the context of climate change" or other similar declaratives. One unfortunate example is the Waste

¹⁹<http://www.mfinante.ro/proiectbuget2015.html?pagina=domenii>

Management Strategy (approved by GD no. 870/2013). The priority objective in chapter 4.3 says "Correlation of waste management policies with those of Climate Change" and lists monitoring indicators for reporting on waste collection. The National Research Development and Innovation Strategy only vaguely mentions energy, environment, and climate change research as a priority. Another example for this lack of long-term planning capacity is the implementation difficulty of the SEA procedure, which includes CC related aspects. In accordance with the SEA Directive, any type of development strategy or plan with environmental implications should undergo the SEA procedure in its formative stages. This would save time completing the procedures involved in SEA. Unfortunately CC awareness is also low among local SEA consultants, which can often result in vague targets and improper indicators.

Inter-ministerial collaboration is difficult. The MEWF, which advocates for CC at the ministerial level, has fairly low negotiating power with other ministries, and therefore has difficulty in making itself heard and understood. There is one interesting example of this, namely the National GHG Inventory. On the one hand it is produced by compiling data through functional partnerships with other institutions. The impulse to make the data flow reasonably efficiently is the fact that reporting GHG Inventory is a legal obligation to the EU, EEA and UNFCCC. On the other hand, line ministries and various entities contributing data essentially never receive feedback regarding their inputs. There is no policy for presenting results during Government meetings so that other ministers might know how their sectors contribute to the total GHG emissions, or how to determine the most cost-effective measures to reduce or adapt their sector's effects on CC. This explains the reaction of the middle management staff of line ministries who perceive climate change only as a constraint and cannot understand that CC policies also offer opportunities, especially in the context of the new 2014-2020 financial programming period. Furthermore, at the level of line ministries, there is a lack of dedicated staff in charge with climate change related matters. This generates further difficulties for MEWF in the inter-institutional dialogue.

The capacity of decision-making at sectoral level needs to be clarified and improved. In Romania, the energy sector is responsible for 58% of total greenhouse gas (GHG) emissions (excluding LULUCF; 70% when including transport) and has contributed 58% of the overall GHG emission reduction since 1989. The Marginal Abatement Cost Curve study recently done by the World Bank for LCGGP shows that several household energy efficiency measures have negative costs (benefits exceed the costs), this includes energy efficient lighting, air conditioning, and household appliances (refrigerators and washing machines). And yet authority over energy efficiency is not clearly defined in Romania: the department of energy in the MESMEsB is responsible for energy policy, and NAER can propose soft policies and monitors the implementation of the National Energy Efficiency Action Plan in compliance with Law 121/2014. But this responsibility overlap has nevertheless seemed at times to become an accountability void.

The transport sector in Romania is responsible of 12 – 13% of total GHG emissions but the entire policy on transport has limited coordination due to the overlapping responsibilities of the various actors – the Ministry of Transport is mainly responsible with the national transport infrastructure, local and regional authorities are responsible for the local and regional infrastructure, the Department of Energy in the MESMEsB is responsible for biofuels. This makes decision-making on climate policy difficult in the transport sector.

The agriculture sector accounts for 15% of the total GHG emissions (excluding LULUCF). The integration of climate policy became important only in the last few years due to the multiannual financial framework 2014 – 2020 that requires action on greening agriculture, emissions reductions and adaptation to climate change. The implementation of the current National Program for Rural Development, which includes those type of measures, will require increased expertise in the field of agriculture and CC.

The same situation will be faced by all the other sectors where measures for mitigation or adaptation to climate change are provided in the Operational Programs or discussed in the Strategy.

Table 1: 2011 World Bank Functional Review of Environment, Forestry and Waters - Outstanding Issues²⁰

Policy and strategy formulation and management	Operational capacity, systems, and procedures	Cross-Cutting Issues
<ul style="list-style-type: none"> ▶ Delays in activities when the Government changes, resulting in managerial changes and political appointments, and impacting consistency of managing the strategic priorities, irrespective of the political change; ▶ Weak policy making and performance monitoring capacity, partly because of a weak, unempowered Public Policy Unit (PPU), and also because of a highly centralized and somewhat opaque priority setting and performance management process. ▶ Over-reliance on the Minister and the College process (also chaired by the Minister) for too many decisions and clearances, including routine management and oversight decisions and overburdening the minister and his cabinet with too many activities, with potential negative impact on overall effectiveness.* 	<ul style="list-style-type: none"> ▶ Despite the fact that most of the EU environmental legislation and institutional structures to implement and enforce it are in place, and while the system will continue to require fine-tuning and adjustment, one of Romania's biggest challenges relates to human resources capacity and the enabling environment (including information technology, coordination, and accountability) for implementation; ▶ Poor and slow communication among MEWF's directorates; lack of implementation and follow-up of the provisions of the Internal Rules of Operation (ROF) for MEWF. While the ROF contains over 200 pages of detailed attributions for each structure within MEWF, it does not address either the functional relations among the different Directorates or their concrete outputs. ▶ Weak inter-ministerial cooperation (e.g. operation of Inter-ministerial Committees): For instance, the inter-ministerial committees on climate change and sustainable development are not held on a regular basis, and follow up mechanisms are weak. 	<ul style="list-style-type: none"> ▶ Human Resources policy and strategy is mainly focused on traditional personnel administration and transactional roles (recruitment and compensation), with no performance management system in place to support strategic objectives and allow staff contributions to be recognized and measured in terms of value-added for the sector. ▶ Lack of an integrated Information Technology system (in the MEWF) with reliable networking, firewall, resource sharing, backup facilities. And a communications system (e.g., intranet) and lack of operational databases (e.g. on permitting and enforcement) and data/knowledge products to support work-related activities and learning.**

*Please note that the use of the College has varied significantly depending on the minister appointed at the time.

** Basic environmental data was introduced, but has low performance and is already outdated. Information and communications technology (ICT) and data transfer modes are limited, and overall data security is low with the exception of the GHG registry. The institutional website has taken a new form essentially with each incoming minister with little to no attention paid to the upkeep of informational structure. Minimal legally required information and media events are the main content of the website as it stands.

²⁰ Find the full report at: <https://openknowledge.worldbank.org/handle/10986/12292>

4.2.2. Administrative capacity gaps/need within the MEWF

Little progress is made by the Government to implement the recommendations provided in the functional review. In 2011, the World Bank delivered a functional review on Environment, Water and Forestry. The report reviewed the administrative capacity of the MEWF in an effort to help the government of Romania meet convergence requirements. The report made in-depth recommendations, many of which have not yet been followed, leaving some of the same issues outstanding. We have highlighted some of the most serious issues impacting the effectiveness of the MEWF in *Table 1* above. Therefore, the rest of this section will focus primarily on matters that are of particular relevance to the CC unit within the MEWF.

Internal communication within the MEWF is also more challenging than it should be. Different teams in the CC directorate have different areas of responsibilities—EU-ETS, National GHG Inventory, Non-ETS—and often perform their work without consistent inter-department communication. The same is true for the level of communication between the CC directorate and other directorates within the MEWF. Therefore producing integrated and comprehensive legislation is a painfully long and inefficient process, prolonged by the bureaucratic processes of providing inputs and obtaining approvals.

Operationalizing CC knowledge into effective public policy making is the highest challenge facing Romanian authorities. While the Strategy relies on substantial data and provides a significant step forward, the role of implementing it, and the action plan around it falls to national authorities. While Romanian expertise is high on targeted technical subjects, the ability to capture the full picture of CC implications for a policy area is limited. The reliance on EU and UN policies is in some part due to Romania's inability to use CC data to make functional public policies effective at the national level. A significant number of MEWF CC directorate staff, for example, have primarily implementation responsibilities and limited knowledge of how public policy is supposed to be crafted, since they were trained to maintain the GHG inventory or the ETS and only later started to work within the ministry with no further training on public policymaking. In fact at the time of the writing of this report there is no unit within the directorate responsible for policymaking as such, and very few staff members.

The MEWF has maintained few active partnerships, primarily only with institutions that are essential to their capacity to fulfil international reporting responsibilities. That includes the NIS, which contributes to the National GHG Inventory, or the NMA, which provides climate and meteorological analyses. However, even these relationships normally remain minimal, i.e. a request for information without any expectation of a continued dialogue. Representatives of sectoral interest groups, like in the case waste or cement, will maintain an informal dialogue through representatives who come and visit the ministry, but comments on policy remain informal since draft legislation usually is only published for consultation, by the letter if the law, in its final stages, after all other ministries have approved it and any significant changes would require another round of approvals from each ministry. Research centers or other civil society institutions find it even more difficult to interact with the ministries compared to other public institutions. Even those that have a history of collaboration hit bureaucratic hurdles when trying to formalize partnership agreements.

High institutional turnover and instability has been a feature of Romanian CC policymaking. When the name Ministry of Environment and Climate Change was adopted in 2012, there was a belief that climate change would finally enter the list of Government priorities. At the same time the staff in charge of ETS and the GHG Registry from the National Environmental Protection Agency was

transferred to the ministry. In practice, the move occurred several months later creating uncertainty among all team members. Unfortunately, after the elections in December 2014, the Government was reorganized and the Ministry of Environment has once again been redefined as the Ministry of Environment, Waters and Forests. Due to the reorganization, the General Directorate of Climate Change went from 42 staff members to less than 30. Some employees were redistributed to be responsible for other sectors in the MEWF, on which they had limited knowledge, and others have left the ministry entirely, leading to a significant loss of expertise. Such reorganizations have occurred annually, or every two years, and staff selections are rarely based on performance reviews or a need analysis.

The CC unit is understaffed and has insufficient capacity for policymaking. All of the three units in the CC directorate are primarily preoccupied with reporting to international institutions- the national GHG Registry, the ETS service, and the national GHG Inventory. Although the number of staff members is comparable to other units in the MEWF, all other sectors have representatives in the local EPAs, whereas CC is only operated within the ministry itself. The National Service for Estimating GHG Emissions (NSEGE) unit limited staff that needs to cover a multitude of topics, from regulating carbon markets for non-ETS sectors to adaptation, monitoring and evaluation, special projects and interacting with other ministries during policy negotiations. The staff is therefore often over-extended, covering topics with which they have little experience.

The level of expertise among the MEWF staff varies substantially. While there are experts with deep knowledge of the topic they cover, there are also staff with more limited administrative skills, without these differences necessarily being reflected in pay grade or responsibilities. Annual reviews have been introduced, but tend to be perfunctory and ineffective in motivating employees. Workplace dynamic is also sub-optimal because staff in leadership positions are not required to have training in management skills. The high degree of turnover has amplified the overall human resources issues, particularly in concert with the emphasis on freezing or reducing staff numbers and restrictions on hiring new civil servants. The hiring freeze has produced counterintuitive results, with employees being transferred to other sectors for which they have little relevant experience. A CC specialist is formed over time and requires exposure to the topic, continuous documentation, and good internal communication within the team, but few of these conditions are maintained for Romanian civil servants working on CC, who have to make challenging personal efforts to build expertise.

Employee pay within the MEWF does not promote staff retention. In Romania, the average pay of public servants working in central authority units depends on the ministry's sectoral responsibilities. The MEWF has among the lowest average pay, sometimes three times lower than in other ministries. In 2011²¹ the MEWF pay on average was 1781 lei, compared to 7892 lei for MFA, 4612 lei for the Ministry of Justice, and 4612 lei for MADR. Moreover, pay is differentiated by rank within the ministry, but actual performance evaluation is effectively irrelevant. Low pay does not help maintain job satisfaction or performance, especially considering the high amount of responsibility assigned to staff and the lack of technical expertise of the supervising authorities. After staff has gained some job experience quite frequently they are quickly recruited by the private sector, without any ethical sectoral restrictions.

²¹ <http://www.evz.ro/topul-celor-mai-mari-salarii-din-ministere-930679.html>

At the moment Romania has almost no effective, rapid tools for assessing the impact of CC policy. Romania does not have procedures for assessing the socio-economic impact of GHG emission reductions measures or the impact other sectoral measures have on overall GHG emissions. The country produces national statistics, prognosis, and modelling annually, but none of the tools are responsive or can be easily used by ministries throughout the public policymaking cycle. Within Component C of this RAS, the World Bank has developed in-depth analyses at the sectoral and macro-economic level, sectoral analyses and modeling in energy, transport, urban and water sectors, macro-economic modeling, and macro-economic impact assessment. However at the moment there is no national capacity for maintaining and using these tools after the World Bank team is no longer involved.

Monitoring and evaluating projects with CC components will be extremely challenging during the next financial period. While this issue is discussed further in Chapter 6, it is important to note that much responsibility for the framework of M&E for the next financial period will fall within to the MEWF. The MEF will be responsible for managing most of the OP from which funding for CC related projects is likely to be drawn. However, they will rely on intermediary bodies for design of the actual financing programs, and in fact they have integrated the MA SOP within their organization. Unfortunately the staff of the MEF and MA SOP have little technical experience with CC issues or how to best design appropriate M&E mechanisms, and therefore they will come to the unit in the MEWF for help. The answer to these type of requests is likely to put further strain on MEWF personnel.

[**4.3. Administrative capacity gaps/need at the local level**](#)

There is a lack of incentives for local authorities to create or implement climate change policies. There is currently no legislation, plan or program that makes climate obligations binding for local authorities (LAU 1&2) or that even engages them in any way. Individual cities, particularly those that are part of the Covenant of Mayors, have created local strategies for dealing with CC. Brasov for example has created an energy efficiency body and produced a fairly comprehensive sustainable development strategy. However, any such initiatives have been taken at the regional/provincial or local level on a voluntary basis, with often limited monitoring of CC indicators and no aggregation or sharing of good practices or any type of incentives from the national level.

Institutional capacity for stepping up climate actions at local level is largely underdeveloped. Local authorities usually do not have the staff or expertise to design local CC planning documents. There have been housing stock energy efficiency improvement national programs which allocated project implementation responsibilities to local authorities. This led to lengthy delays since LAUs were unprepared for the administrative burden, causing some investments from the 2007-2013 period to continue even today. In addition, there has been no climate change modeling available that could be easily used by LAUs, though the NMA for example has argued that it has the capacity, if not the funding, to produce such models. LAUs need technical and logistical support for developing, implementing and monitoring comprehensive CC programs. However, due to austerity measures LAUs could probably not all justify structures with exclusively CC responsibilities, but better connections with other actors are not cultivated to compensate for that loss. Nevertheless successful local CC planning has usually involved the support of two non-state actors: the Romanian Energy - Cities Network or the Romanian Municipalities Association (RMA).

Community engagement around climate change priorities is largely missing at local level. The only mobilization of communities occurs post disasters, if a connection is made to climate hazards (floods, warm waves, etc.). Even in those cases the correlation to long term prevention policies is nearly never made. With the notable exceptions mentioned above, dialogue with other climate change stakeholders (NGOs, companies, agencies, etc.) is minimal at the local level. The public awareness programs accessible to local communities are missing in part due to the limited number of Civil Society Organizations dealing with CC and the lack of financial support for such projects. There is a only relatively small federation of NGOs, the Climate Action Network Romania which is involved in climate change projects implementation al the local levels, but it does not cover the entire country and it has limited expertise and funds. For further clarity of this section, a short description of Romania's regional development arrangements can be found in Annex 4.

5. Strengthening Institutional Arrangements

In order for CC policy to be effective in Romania it must be treated as both a national priority and a cross-sectorial responsibility. Currently the MEWF is the only institution legally responsible for CC, despite the fact that its actual authority covers at most a tenth of what CC policies need to cover. It is overwhelmed, and is likely to become further overwhelmed as carbon pricing becomes increasingly integrated within European markets. Instead, CC responsibilities need to become a part of the activities of all relevant line ministries as well as the national government. If Romania is to become a successful low-carbon economy, cross-sectoral CC policies must provide a backbone of long term planning that is cognizant of externalities and focused on energy efficiency. That is why the NCCC needs further reforms, supported by accompanying changes in line ministries, in order to make it an effective national decision making support body.

CC policies need to have the support of the public, authorities, and industry alike, and will need to be integrated into overall national reform efforts. Romania has several strategic planning documents proposing capacity building measures, some of which are presented briefly in Annex 5. The changes proposed in this report, in terms of a willingness to have a higher grade of expertise while sharing information and decision-making, are aligned to those strategic documents and will rely on Romania's ability to change institutional culture and practices. A more inclusive and informed process is needed, one which can only occur when more of the stakeholders are involved and made aware of the extensive CC implications for their individual sectors.

The creation of the CPN would provide a nexus of CC knowledge as well as a link between public and private stakeholders, without adding an overwhelming administrative burden. The Climate Partners (CPs) would build a network through which the NCCC would engage with stakeholders, enhance the basis of CC knowledge, and aid the implementation of CC programs. Being based on a PPP, it would act as a forum for the coordination of a knowledge platform, providing missing links to the private sector, local level and civil society. Seeing as Romania does not have a good, transparent policy history, and tends to make national institutions heavily bureaucratic, this formula would increase flexibility while lowering costs. Furthermore, as a repository of knowledge it would guarantee the gradual increase of Romania's overall CC awareness as it builds membership and prestige. The network's (CP) initial set up and development will require an allocation of public funds until it becomes functional and begins expanding. It can become self-sustainable later on with the introduction of membership fees and other forms of grants as it consolidates. A potential financing source for this network is the ACOP. The projects implemented by the CPN could also afford the financing of a secretariat that would make the network functional and diminish pressure on the MEWF staff.

In the medium-long term, strategy implementation will need to be accompanied by changes to the educational system. Previous educational reform efforts have tended to not take global economic changes and trends into consideration. This has led to a near complete lack of experts in sectors key to the Green Growth program's long term goals, like climate change or developing a low carbon economy. Education in the near future should be based on needs that are established in partnership with administrative and economic factors and in consideration of market and development priorities. Life-long learning programs could reduce shortfalls and should therefore be encouraged and implemented, particularly for public servants. An efficient use of ESIF could help in fulfilling this objective.

Entrenched practices will need to be changed gradually and accompanied by appropriate M&E procedures. Since Romania applied for entry to the EU, many strategic assessments have discussed administrative capacity building as central to Romanian development. Nevertheless a high degree of resistance and rigidity is inherent in the system. Seeing as this report accompanies the National Climate Change and Low Carbon Green Growth Program, which covers the 2016-2030 period, it recommends a staged, long-view approach that continually adds blocks to make CC gain acceptance, as well as a broad and multi-level policy making structure. Every step of the way will need to be accompanied by technical and financial monitoring and evaluation mechanisms which will need to be calibrated so as to not cause unnecessary burdens, but which maintains a focus low carbon development as an end goal.

5.1. Legal Framework

The legal framework needs to be fine-tuned to allow for inclusive and open CC policies, supported by the smart use of ICT. A thorough review of public authorities' data sharing and transparency practices and policies would reveal that transparency legislation is respected at most in letter, not in spirit. For example, the websites of central public authorities often get an overhaul whenever the minister changes with no effort to maintain either a continuity of data or clear archives. Well-organized web content that is frequently updated, and easily accessible archives, would also go a long way towards reducing the number of public information requests, therefore reducing administrative burden. Inter-institutional channels of communication will also need to be updated to allow for the easier transfer of information, backed by ICT investments made possible through the Administrative Capacity Operational Program (ACOP). Most importantly for the success of the proposals made in this report, in terms of the relationship between the CPs and the public, a baseline of transparency needs to be established and maintained beyond the minimal data currently shared on authorities' websites. This would include updates on progress in policy negotiations at the international level, with exceptions made only for clearly defined reasons of state secrecy.

5.1.1. Climate Partners Network (CPN)

Create the legal framework for the CPN in Romania. In Norway the concept of Climate Partners was constructed on the basis of a public - private partnership (PPP), an approach that would also be optimal in Romania's implementation. While Romania has little experience with successfully implementing PPPs it can instead draw on the experience of the LEADER²² approach in agriculture. During the period 2007-2013, Romania had some successes and some failures in the bottom-up approach to local development. But the use of Local Action Groups (LAGs) may prove particularly valuable as a basis for rooting the Climate Partners into the local level. In order to be effective however, the Climate partners must also have a voice and access to the national and international CC arenas. At the national level they can actively engage with the NCCC and technical groups through relevant representatives.

The network would initially be built on the institutions and resources already in place, including interest groups, research institutions, NGOs and others already engaged in CC activities. As previously discussed, there are not many entities engaged with the topic, but the list would be gradually increased, perhaps starting with those mentioned in Annex 3. The CPs would gain the recognition they

²² The EU maintains an excellent resource site on the LEADER approach at:
<http://enrd.ec.europa.eu/en/leader/leader-tool-kit>

deserve, have more clear ways of communicating with relevant authorities, and a forum for sharing and building expertise and knowledge. Furthermore, as CC awareness increases among the public, becoming a CP will become a matter of prestige and social capital. At the international level those who currently engage in lobbying EU institutions directly can more effectively coordinate and support each other and Romania's positions once they become CPs. However, it is important to note that the CPN is not meant to create an echo chamber, particularly given the diverse interests of those affected by CC policies. Instead, it can focus debate, ensure that all points of view are understood, and that CC decision making is transparent and evidence-based.

The relationship to the NCCC will be symbiotic, and the two programs must develop and grow together. The series of individual and somewhat sporadic partnership agreements which now exist would be replaced by a network of solid links maintained for as long as members remain active and adhere to the relevant standards for that type of membership, such as ISO certifications for companies, CC strategies for LAUs, consistent engagement with CC for NGOs, etc. There is also a need for the MEWF staff to set aside time for coordinating the secretarial tasks of the NCCC and maintain an open dialogue with the CPN.

The CPN needs to be flexible, use smart ICT, and carry small administrative costs. Rather than create more state institutions, the network would function as a network of overlaying interest and regional clusters relying largely on the capacity of the CPs themselves after the initial set up stage. Any administrative tasks could be done by CP NGOs for example, and be funded initially by grants and later through membership fees. In order to accomplish all of this, the network would need to employ ICT solutions to gather and share CC data effectively, and become a repository of good practices. The CPN's value proposition would need to be built into a mixture of access and expertise, although the fees should not become a barrier to entry.

5.1.2. NCCC

The NCCC's legislative set-up must insure that it becomes a functional and powerful coordinating body. Although the Governmental Decision was modified in 2014, it needs to be adjusted further in order to be effective in implementing the National Climate Change and Low Carbon Green Growth Strategy and foster the move to a successful low carbon economy. The new proposal for the NCCC has a political and technical tier, similar to its current structure, but it will have several technical working groups instead of just one. The proposed technical groups would be focused on relevant sectors: CC Financing, Energy, Transport, Agriculture, Local Development, Adaptation, SMEs and Industry and Research and Awareness. Further special technical groups could be convened as needed. A plan with this proposed structure can be found in Annex 6. The commission's legislative reform would need to be initiated by the MEWF, and supported though its budget. However, reforming the NCCC and setting up the technical working could be initiated during the period 2016-2020 through an ACOP project.

The NCCC will need to have a consistent structure and schedule. The technical groups would include assigned staff from line ministries, whereas the higher tier would include members at the state secretary level or above. Political tier meetings could be convened once per trimester while the technical groups could meet monthly or as frequently as needed. Line ministry staff involved in the technical groups would slowly build their expertise to become CC specialists as initially proposed in the 2009 Memorandum. It is not recommended for the staff member in charge of environmental issues also deal with climate change, particularly for those line ministries whose portfolios require

extensive CC expertise, due to the extent of these responsibilities. The technical groups would analyze legislative proposals, discuss developments in European and international legislation with CC implications, establish negotiating positions, monitor sectoral CC implications or financing, share good practices, or ask for technical support. The National level commission would play the same role it currently does: Provide direction and approve the technical group's outputs. This final form of NCCC would also rely on Climate Partners for expertise and a connection to relevant stakeholders and interest groups, and will help in setting up Romania's negotiating positions

Table 2. Staged changes to NCCC structure over time

Managing Authority	Advantages	Disadvantages
1. Chaired and administered by MEWF (currently).	Existing level of expertise.	High strain on MEWF capacity. Poor public exposure. Little inter-institutional coordination.
2. NCCC Chaired by Prime Minister's Cabinet*. (2020) - Technical groups - Support from relevant public MEWF authorities.	National exposure for CC issues. Raises climate agenda.	Medium strain on MEWF capacity. Somewhat limited inter-institutional coordination.
3. NCCC Chaired by Prime Minister's Cabinet*. (2030) - Technical groups - Support from relevant public authorities & Climate Partners Network.	National exposure. Raises climate agenda. Higher CC policy making focus and capacity.	The CPN needs to be well established and have a solid PPP basis.

* The MEWF would organize and operate as the secretariat for NCCC's higher tier.

National authorities must claim ownership of the CC issue. The issue of CC must have higher visibility and remain consistently on the public agenda, instead of emerging only briefly after a disaster. The most feasible institutional option therefore is to place some decision-making power at the appropriate level, under authority of the Prime Minister's Cabinet. However, since the Cabinet's capacity is also limited, the bulk of the administrative and management tasks would need to be accomplished elsewhere. The proposal, based on Table 2 above, and would essentially ensure that administrative burdens be shared by the MEWF and CPN, while allowing the Cabinet to lead the political tier of the NCCC.

Table 3. Legal Capacity Building measures

Activity Name	Implementing Agency	Timeline (S,M,L)	Notes
Adopt an open data policy regarding CC information and policy processes	MEWF and NCCC members	S	<ul style="list-style-type: none"> This measure is proposed in the context of larger efforts to improve transparency, and carries minimal risk. Require moving beyond current minimal standards, and a review of current practices. Some associated costs for employing smart ICT to organize the data made public. POCA

			<p>financing is available for this type of initiative.</p> <ul style="list-style-type: none"> • This measure will be important for the work of CP in technical groups and beyond.
Create the public-private framework for CP	MEWF initiative, GoR approval	S	<ul style="list-style-type: none"> • The pace of the Romanian legislative process introduces a degree of uncertainty, particularly because there is low familiarity with public-private initiatives. • During initial stages of creating the network the MEWF will need to be involved. • Appropriate funds must be allocated for initial set-up of the network.
Extend the capacity and responsibilities of the CP network	MEWF initiative, GoR approval	M-L	<ul style="list-style-type: none"> • As the network develops, more responsibilities will be added, including involvement in NCCC and maintaining and publicizing the CC Financial Toolbox. • There is a degree of risk, since significant effort will need to be made to extend and grow the CP network. • In the long term, the CP network is meant to have minimal administrative costs, covered by membership fees or project-based funding.
Reform the NCCC	MEWF initiative, GoR approval	S, M, L	<ul style="list-style-type: none"> • As the CP network grows and national authorities take more responsibility for CC policies, the NCCC's law will need to be amended several times. • A degree of uncertainty remains as NCCC has never been a highly effective coordination body.
Review SEA and EIA national legislation to better integrate CC concerns	MEWF initiative, GoR approval	S	<ul style="list-style-type: none"> • Low risk and costs, since CC concerns are already part of discussed environmental issues, but higher quality standards will be needed for CC evaluation and planning.

5.2. Taking Part in the International CC Community

Strengthening and reorganizing the NCCC will play an essential role in making Romania more effective in climate change negotiations. Effective implementation of the working groups will give the MEWF informed counterparts in other ministries, as well as a channel of communication to CP experts, researchers and civil society. Any new international policy proposals will be effectively confronted with the perspective of this multitude of stakeholders and be far more likely to obtain any needed approvals quickly.

Negotiation positions must be set up in advance, based on a solid evidence base and incorporating input from all relevant stakeholders. Obtaining the necessary background data, as well as reaching consensus among the stakeholders on negotiating positions, will need to be a priority of the collaboration between the NCCC and CPN. The proposed position of the authorities, along with the data supporting it, should be available in advance for public and media. The CPN will also play an

essential role in the process; it will need to build consensus among its members prior to participation in the NCCC technical groups and present a consistent argument during discussions with authorities.

Romania needs to find ways to resolve the representation issue, particularly considering the culture of international institutions, where expertise and length of participation are highly valued. This involves two different elements: personnel and negotiating positions. Romanian representatives for international negotiations need to be well compensated, have good communication skills, and a high level of expertise in the topics for which they represent the country. Since so much of CC policy is driven by developments in the international arena, it is essential that the MEWF and GoR prioritize effective participation in international CC negotiations. However, areas where budget constraints remain the choice of participants and workgroups should be strategic and well justified, and, where possible, replaced with remote meeting participation using ICT. Negotiators should have a mandate that follows the position discussed in the NCCC technical groups and which is approved in the usual manner.

Table 4. International Participation Capacity Building measures

Activity Name	Implementing Agency	Timeline (S, M, L)	Notes
Revise policies for selecting representatives	MEWF and relevant national authorities	S	<ul style="list-style-type: none"> Expertise and training standards will need to be set for those representing Romania in policy negotiations. Policies for selecting outside expert representatives will need to be transparent, and competitive. If budgets are strained, the selection of participatory events should be strategic and replaced with virtual meetings where possible.
Improve the transparency of the policy negotiating process	MEWF and relevant national authorities	S-M	<ul style="list-style-type: none"> While state secrecy might be justified at times, the default for most cases should be full disclosure of most reports regarding policy negotiations. Minimal risk, since this is an accepted practice in several EU member states.
Improve the preparation for policy negotiation	MEWF and relevant national authorities	S-M	<ul style="list-style-type: none"> Costs may be lowered and results improved, since any studies will need to be initiated in advance of deadlines.

5.3. Measure for improving administrative capacity at the national level

Climate Partners would make the implementation of the National Climate Change and Low Carbon Green Growth Strategy and Action Plan far more likely to succeed. A structure similar to the one used in Norway, adapted to Romania's environment, would offer stability and coherence to the relationship between CC policymakers and other stakeholders. However its implementation would need to be smart, and backed by a clearly defined list of responsibilities and opportunities. The Climate Partners would be integrated into the functioning of the NCCC and develop to have interest based or regional clusters. Membership would include a fee and, depending on the type of member, require adherence to certain standards. Member types would include research institutions, LAUs, NGOs,

companies, unions and so on. While Climate Partners would not supplant existing support structures like the RMA, the system would complement that type of work and create a support network for those interested in the benefits of climate action. This would help maintain and slowly increase the level of CC awareness in Romania, and eventually spur the number of implemented CC projects.

Climate change will need to be more thoughtfully integrated into strategic public planning. MEWF needs to take a stricter approach during the SEA and insure that CC considerations are integrated and associated with the appropriate indicators. If the NCCC is reformulated as discussed, ministries will have experts who participate in the appropriate technical groups, and will likely be better able to integrate CC issues from the planning stages of strategic documents. The same would apply to the EIA, as any projects seeking to integrate CC considerations could rely on the expertise gathered and made available by Climate Partners. In addition, work in the technical groups will slowly build CC knowledge within the other line ministries, although that should be supported by trainings as necessary.

The MEWF needs to improve the working conditions and retention rate for CC staff as part of the national effort to improve administrative capacity.²³ This would involve maintaining a degree of institutional stability to ensure that employees are no longer moved from the unit in which they have the highest level of expertise without justification. Well-staffed units responsible for policymaking, monitoring of CC funds use and one responsible for maintaining the relationship with the NCCC and CPN will be needed. Furthermore, an increase in the average pay and number of staff would need to be accompanied by higher standards set for their credentials in public policymaking and management skills, particularly for anyone in leadership positions. Performance evaluations will also need to be more thorough and have clear consequences.

Public servants will need training on integrating CC into policymaking. Offering comprehensive courses on CC is essential for capacity building in Romania. Selected staff of the MEWF, or even international experts could add these classes to the roster of the National Agency for Public Servants, or they could participate in other accredited training programs on the topic. Conversely, staff of the MEWF could take classes in order to improve management skills and public policy making. Furthermore, whichever authorities take responsibility for managing the models delivered through this RAS will need ample training in order to maintain them, update the databases, and use these to determine policy impacts. In addition, Romanian universities, with the support of the Ministry of Education and Scientific Research, should update their curricula and introduce new post-graduate programs in order to provide more in-depth training.

A more careful targeting of climate actions is needed. Owing to geographical location or socio-economic status, Romania has many areas and many people particularly vulnerable to climate change. Using ICT and modeling to identify those most vulnerable to CC, as well as designing programs that would have CC impact while aiding them, will be a keystone of implementing the strategy. The NMA has experience with nationally mapping climate impacts, and should be further supported in improving their capacity, including in terms of ICT. Identifying vulnerable groups and targeting programs to assist them will need to correlate climate data with socio-economic information gathered from relevant authorities. This planning will have to be done from the beginning stages of program design, discussed in technical groups, and presented to CPs so as to ensure that the administrative burden is not overwhelming for the very vulnerable groups targeted initially.

²³See Annex 5 for a list of guiding national documents.

Macro-economic modelling focused on Climate Change and developed by the World Bank will need to be maintained and put to use by national authorities. As part of the development of the National Climate Change and Low Carbon Green Growth Program, the World Bank has developed in-depth analyses at the sectoral and macro-economic levels, sectoral analyses and modeling in the energy, transport, urban, and water sectors, and conducted macro-economic modeling and macro-economic impact assessments. Ideally the macro-model will be managed by the NPC while the sectoral models will be maintained by relevant sectoral authorities or research centers. Inter-institutional agreements will need to ensure that the institution managing the model works closely with relevant authorities and produces policy impact assessments when needed. However the capacity for communicating and using the data in order to inform policymaking will need to develop across national institutions. As this capacity develops, over time the modelling results and implications can be discussed in special technical group meetings of the NCCC.

Table 5. National CC Capacity Building measures

Activity Name	Implementing Agency	Timeline (S,M,L)	Notes
Improve CC staff hiring standards and retention policies. Review CC unit structure and staff numbers	GoR & MEWF	S	<ul style="list-style-type: none"> • Measures taken in the context of national administrative capacity reform. • Involves an increase in personnel cost for the MEWF.
Create CC expert position in relevant line ministries	Relevant line ministries	S-M	<ul style="list-style-type: none"> • Increased personnel costs. • This measure is essential for building national CC capacity.
Instituting and populating sectoral technical groups of the NCCC	National Authorities and CPN	S	<ul style="list-style-type: none"> • Will be essential for the coordination of CC action in Romania. • Some cost, primarily supported by the national budget.
CC training for civil servants	National Agency for Public Servants, Education Ministry	S,M,L	<ul style="list-style-type: none"> • Initially higher costs, decreasing as national expertise grows. • New curricula in Universities could be problematic due to the lack of resource persons/teachers.
Increase CC modelling capacity	Relevant units	S,M,L	<ul style="list-style-type: none"> • This measure would increase Romania's capacity for evidence-based decision making. • National funds may need to be used for setting these units up.

5.4. Measure for improving administrative capacity at the local level

Local level CC efforts will need to be aligned with national priorities. The Strategy creates a pathway towards green growth that will assign significant responsibility at the local level, particularly with regards to energy efficiency improvements and the urban sector. The proposed strategy will require a consistent dialogue between the national and local levels, which can be enhanced through

participation of the LAU in the CP Network. Furthermore, issues relevant to the LAUs will be discussed in the NCCC Technical Group Local Development, where the LAU's could either participate directly or send CP representatives. Furthermore, depending on the CC most affecting the area, LAUs could form clusters with those facing the same challenges, such as recurrent flooding or draught.

Support schemes and smart incentives will need to be designed for LAUs. At the moment local authorities have very little political or economic interest in engaging on climate change issues. Once CC ranks higher on the national agenda and public consciousness, the political incentive will become increasingly apparent. However national authorities will need to provide incentives and support to make the economic benefit of planning for CC obvious and create programs to address it. National competitions such as “The city that recycles the most” have proved popular to date in Romania. Similar competitions, based on national priorities and available funding, could be organized across the country. Currently the Ministry of Regional Development and Public Administration²⁴ is implementing a program financed by Switzerland they are looking for a national agency that will implement European Energy Award.²⁵ This program should also be supported by the MEFW in order to encourage CC initiatives at the local level and fill the gaps between the national and local levels.

For example, a national program for improving household energy efficiency could be synchronized with a competition between localities. Furthermore, the Covenant of mayors has already proved successful in Romania and has EU support. Providing incentives for more LAUs to become CPs, and supporting them in integrating CC into local planning, should be made a priority. However in order for climate change to be a credible priority, a certain and predictable budget should be allocated with priorities outlined. Particularly in the initial period, a program could be set up for CP NGOs to work with local partner authorities and recruit them as CPs. The standard for entry could be membership in the Covenant of Mayors, particularly since ESIF funding is available for local level CC planning. This will require 2 stages—the first, a competition for developing local and regional inventories and strategies for reducing climate change; the second, identifying budget allocation for strategy implementation, as was the case with Development Polls.

Creating local expertise will be a necessary first step for building local CC capacity. There are LAUs in Romania that have already built their CC expertise, Brasov is one example. However climate change is a vague topic for most LAUs, with planning for it quite low on the agenda. The availability of funds during the next period will likely lead to an increase in interest, but without local expertise participation in national or international programs can be challenging. There are three elements to increasing local CC expertise: providing local-level CC impact assessments, working with other CPs, and increasing the CC awareness of local authority personnel. Local authorities have already attempted to use these approaches, with varying degrees of success. However, having a consistent approach to these initiatives, with some planning in the NCCC technical committee, will provide clearer direction. The CC assessments can be in part provided by the NMA, as well as experts or NGOs who are CPs. Increasing the local civil servants' CC awareness and understanding can be done through

²⁴ <http://www.mdrap.ro/comunicare/presa/comunice/reluire-apel-candidaturi-institutionalizare-premiu-european-pentru-energie>

²⁵ <http://www.european-energy-award.org/fileadmin/Documents/Download/eea-optimising-activities-2012.pdf>

ACOP funded training programs or even through APMs, as recently occurred in Sibiu through an EEA grant.²⁶

Monitoring and evaluation mechanisms will need to be crafted for the local level. Since local authorities have such little CC expertise, and so far have never had any responsibilities directly related to CC, they also have no knowledge of how M&E will need to be performed. However, considering the requirements of the Energy Efficiency Directive 2012/27/EU and the need to identify national best practices, qualitative and quantitative M&E needs to become integral to any project or program with a CC component. The experts working on SEA and EIA will be the ones selecting the relevant CC indicators for local authorities to monitor, but the procedures should not create an excessive burden. Furthermore, for ESIF funded projects the reporting of monitoring data is delivered to the managing authorities through intermediary bodies. However, in the case of projects funded from other sources, the CP network could instead act as the primary data gatherer and deliver the information to the national level authorities through the NCCC.

Table 6. Local Capacity Building measures

Activity Name	Implementing Agency	Timeline (S,M,L)	Notes
Encourage and incentivize local authorities to become CoM members	MEWF and the CPN	S-M	<ul style="list-style-type: none"> • Low cost involved (ex: a national city competition). • Support can be received from CPs. • Low risk, since this is an EU initiative. • Provide funds based on specific program (s).
Develop a support structure for LAUs signatories of CoM	MEWF, CPN and MRDPA	M-L	<ul style="list-style-type: none"> • Some cost involved. • ESIF funding can be identified.
Provide CC training for LAU staff	National Agency for Public Servants	S,M,L	<ul style="list-style-type: none"> • Some costs involved. • CP partnerships may be useful. • Low risk.
CC M&E training for LAUs	CP	M,L	<ul style="list-style-type: none"> • Some cost involved. • ESIF funding can be identified.

²⁶

<http://www.eegrants.ro/en/-/a-iii-a-instruire-in-domeniul-adaptarii-la-schimbarile-climatiche>

6. Financing of Climate Actions

Due to the nature of CC, it faces some unique challenges around spurring investment. The long-term and scientific nature of CC, as well as continued uncertainty over its impact, creates specific challenges for attracting investment in climate action projects. Beyond the usual investments risks, low carbon investments also face uncertainty over the predictability and time horizon of CC policies. There also are specific technology and operational risks related to aspects of intellectual property, adaptability, energy efficiency and performance of new low-carbon technologies. The return on investment for CC may also be lower compared to proven technologies and traditional projects, unless there are appropriate market mechanisms in place to compensate for the additional risk. Access to affordable capital for climate investments therefore may often be difficult, particularly for smaller projects which face the same due diligence and transactional costs without the larger gross returns of larger projects. Finally, the low level of CC awareness and of opportunities afforded by CC across the public and private sectors also act as a powerful barrier to investment. Therefore government policies will need to provide well balanced incentives in order for the country to receive the infusion of capital it requires.

Consequently, the efforts to shift to a low carbon economy are focused on lowering risk and creating an enabling environment. Basic capacity building for a more climate conscious economy includes reducing knowledge and skill gaps, and helping to overcome market, human and institutional capacity barriers. Concurrently, the efforts to build capacity must be accompanied by solid monitoring and evaluation procedures in order to evaluate and report on the effectiveness of any chosen actions. However, creating an enabling environment for CC investment (EECCI) involves a mixture of policy, regulatory and institutional changes that lower risk and incentivize investment in low carbon technologies and services. The creation of the enabling environment evolves a thorough reform of the business and investment climate as well as the policies to target and incentivize green investments. Therefore the creation of an EECCI goes beyond the scope of this report, which is focused primarily on capacity building.

As CC knowledge grows PPPs can become a cornerstone of climate action. In Romania the climate agenda is often viewed by the private sector as a way of increasing operational costs or slowing economic growth. Public partnerships can make climate action less daunting and a natural part of growing a balanced low carbon economy. The scale of CC investment needed in Romania, including transportation and building stock, means that many climate projects will require public-private coordination. Furthermore, public funds are not meant to, nor are they sufficient to cover, all the investment needs described in the Strategy. Therefore a solid framework for PPPs can provide a formula for cost-effective innovative projects, which include minimum management, monitoring, and performance standards for lowering emissions or improving resilience.

There are various types of funding sources available for financing the climate actions. In order to identify the best opportunities for improving the capacity for climate action, the next section provides an overview of funds available in the period 2014-2020 for the projects and programs discussed in the Strategy. While funding sources are also discussed elsewhere in the action plan, this document also contains a brief overview to provide background for aspects of capacity building. As such, the main beneficiaries and implementation arrangements are discussed in section 6.1, while implementation performance is reviewed in section 6.2. The funding sources are discussed below in the order of area covered, from European, to bi-lateral, national, local, and private funds. The European Structural and Investment Funds (ESIF) and other European programs are discussed briefly, since they are analyzed

in depth in the other documents of the National Climate Change and Low Carbon Green Growth Program. Funds received through bilateral national agreements, as well as private funds, are also considered. However, in order to ensure the development of the sector and compliance with EU legislation, the national budget should become the main source of funding for the next period.

Romania needs to improve its capacity for taking advantage of funding opportunities and channeling investments towards climate action and the implementation of the National CC Strategy and Action Plan. Low absorption rates during the previous 2007 – 2013 MFF have shown that Romania has little expertise in creating and supervising effective CC programs, even when funding is available. Furthermore, aggregated data of outputs or performance for CC indicators is not available, nor was it collected in a consistent manner. Based on the previous analysis of institutional capacity, gaps specific to project management, with relevance to the implementation of the LCGGP, are also identified. Finally, options for improving CC capacity are presented in the last section.

6.1. CC Project Financing Sources

6.1.1. European Cohesion Funds and other EU Funding Instruments

There is a catalytic role for EU funds in terms of CC mitigation and adaptation. For Romania, a major opportunity to support a less carbon-intensive economy is the new requirement that structural funds be used to finance climate change compatible projects and investments. In its Multi-annual Financial Framework (MFF) for 2014-2020 the EU has agreed that climate related expenditure shall correspond to at least 20 % of the ESIF over this period, equivalent in Romania to about 6 billion euros. These funds will play an important catalytic role, though they will not be sufficient to cover all of the actions proposed in the strategy. The managing authority for these funds at the national level varies, as seen in the table below.

Operational Program	Management Authority	Intermediary Body
Large infrastructure	MEF	METT, MEWF, MESMEsB
Regional development	MRDPA	Regional (8 units)
Competitiveness	MEF	MCSI, METT
Administrative Capacity	MRDPA	-
Human Resources	MEF	MESR, MEFSP
Rural Development	MARD	-
Technical assistance	MEF	-
Fishery and Maritime Affairs	MRDPA	-

6.1.2. Life+ and Horizon 2020 Programs

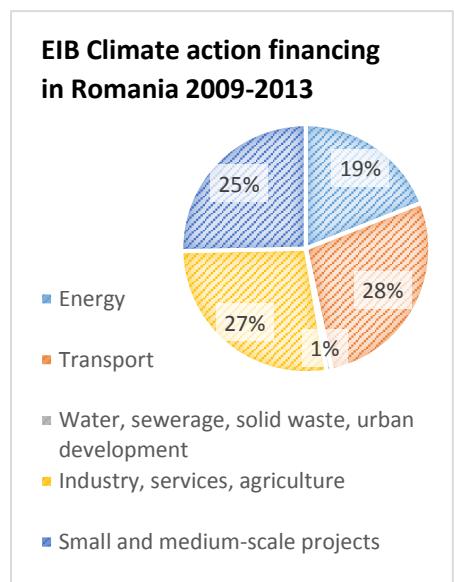
The EU has made a significant effort to create synergy among the instruments and investment funds used to stimulate the resilience and competitiveness of MS. Climate change is being mainstreamed among most, among which Life+ and Horizon 2020 are probably the most relevant.

The LIFE program has a climate component that can also be useful for Romania. LIFE is the only European instrument dedicated to the environment, and its climate component has tripled its budget since the previous period to 864€ million for 2014-2020. The program offers funding for pilot, demonstration, and best practice projects across three priority areas: mitigation, adaptation and governance and information. In addition to grants, funding can now also be channeled through two pilot

financial instruments managed by the European Investment Bank (EIB): Private Finance for Energy Efficiency (PF4EE)²⁷ and the Natural Capital Financing Facility (NCFF).²⁸ Both instruments target SMEs, private individuals, small municipalities and other public sector bodies.

The Horizon 2020 Program offers important opportunities to expand CC research. As the EU Framework Program for Research and Innovation considers CC a societal challenge. The Climate action, environment resources, and raw materials component of Horizon 2020 has a budget of €3 billion which will be used to finance research into CC innovation and improving sustainability. The focus of most of the European instruments is to alleviate the risk and comparative costs of climate investments, and Horizon 2020 is one of the tools the EU sees as important for reducing innovation opportunity costs.

6.1.3. European and International funding institutions



The EBRD, through the Global Environment Facility has invested 5.1 mil \$ in climate change projects in Romania. The EIB, in collaboration with the MRDPA, has invested 674 mil € in climate action programs during 2009-2013, covering up to 75% of program investment costs.²⁹ **The EIB** also has the European Local Energy Assistance (ELENA) program that helps LAUs prepare energy efficiency and RE projects, which could be highly useful in Romania. Both institutions continue to have credit lines that are CC related which could be accessed by the Romanian public or private sector. They also agree that Romanian public sector project promoters will need additional support in order to more consistently access funding.

The International Finance Corporation (IFC) has also made a commitment to Romania in the Country Partnership Strategy

2014-2017 where it is mentioned that the: "IFC will also address bottlenecks to growth in areas that IBRD is not playing a role in, such as infrastructure, including through PPPs with an emphasis on climate change, innovation and new technologies especially for exporters."

6.1.4. Bilateral agreements Funds

The EEA and Norway grants represent contributions from Iceland, the Principality of Liechtenstein, and the Kingdom of Norway to reduce social and economic disparities within the European Economic Area and strengthen bilateral relations with the 16 beneficiary states in southern and central Europe. On the basis of this bilateral Agreement, funds were provided to local authorities in order to implement Adaptation Projects in the Central region as well as to NGOs for implementing various environmental projects, including some related to climate change.

²⁷PF4EE has a budget of 80€ for the 2014-2017 period, with an anticipated 8-fold leverage effect. It will lend to intermediary banks in MS while providing protection against losses associated with making loans for energy efficiency projects. It will be complemented by technical assistance to financial intermediaries.

²⁸ NCFF has a budget of 100-125€ for the 2014-2017 period and will provide loans and investments in funds to support projects that help preserve natural capital, including adaptation to climate change.

²⁹ <http://www.eib.org/infocentre/publications/all/activity-report-2014.htm>

The Swiss Funds. The Swiss financial contribution aims to reduce the economic and social disparities within the enlarged European Union and between different regions of beneficiary countries. Under the Swiss-Romanian Cooperation Program, the amount earmarked for Romania is 181 million CHF for a commitment period of 5 years and a disbursement period of 10 years. One component of the fund is “Improvement of the environment” with the main focus on energy and transport. The Swiss Funds have a financing component open to NGOs working in the fields of environment and climate change.

6.1.5. National Funds

The Romanian national budget co-funds CC projects or supports the institutions responsible for CC. Seeing as the national budget is not organized by projects it is difficult to say what amount of funds is invested in CC. The national budget investments in CC action have primarily taken the form of support for the institutions responsible for CC, mostly those coordinated by the MEWF like NMA, or co-financing CC related projects, like the development of this strategy. More direct investments have been made in reducing disaster risk, or post-disaster, for example in an effort to make the flood prone areas more resilient.

The Environment Fund Administration (EFA) is the main institution formally using its revenue to finance environmental programs. It has administered the two main programs that use their funds, each with multiple sessions: a car allowance rebate system (RABLA), and a small residential housing renewable energy program (Casa Verde). Both were versions of programs implemented elsewhere in Europe and were quite popular, although they met with multiple implementation issues. The second has had case-by-case assessments of payment requests that carried on for years after sessions ended. The fund manages environmental projects addressed to a wide category of beneficiaries: operators, NGOs, municipalities, schools and institutions of education, public institutions, research and development institutes, associations of owners, individuals and SMEs, which by the implementation and development of programs, contribute to improve living conditions and at the same time raise public awareness of environmental issues. Its revenue is constituted from the national budget and environmental taxes. EFA also, when developing programs, can use funds obtained from international sources. In fact, at the moment there is an ongoing project for financing geothermal and hydro renewable energy sources financed by EEA Grants. The maximum co-financing rate is 50 % for operators, 60 % for administrative units, and 90 % for NGOs and educational institutions.

Revenue obtained from auctioning ETS allowances can be used to finance climate actions.

During 2012 – 2014, Romania has collected about 260 mil. € from the ETS auctioning revenues (of which, 71% is dedicated to climate change projects, or some 184 mil EUR) and expects some 170 mil. EUR for 2015 (of which, 50 mil. would be transferred to the state budget, while about 120 mil. EUR would remain for GHG-reducing projects). By some estimates Romania will generate about 1.4 - 2.8 billion euro over 2013-2020, depending of the price of CO₂ on the market. Romania intends to use 71% of these revenues for climate action, much more than the 50% recommended by EU regulations. The increase of revenue coming from these allowances is a good opportunity for Romania to finance climate actions. This additional source of financing should target efficient actions that will help reach the current national strategy's strategic objectives. Unfortunately the legislation governing the use of these funds (Emergency Governmental Ordinance (EGO) 115/2011) is impractical, and funds have only been used for various national projects through emergency procedures, without a methodology for measuring impact.

6.1.6. Local Funds

Climate change investments by LAUs are a rare occurrence at the moment. In Romania LAUs have responsibility over public utilities and transport within town limits. Some LAUs have made efforts to reduce public utility costs by improving the energy efficiency of public lighting and wastewater management installations. There have also been efforts to increase the use of renewable energy for public buildings, though few have materialized thus far. LAUs will also have to contend with the requirement to increase the energy efficiency of public buildings, per Directive 2010/31/EU regarding the energy efficiency of buildings. There are no aggregated national numbers on the size of the investments, but limited local funds have meant that no serious CC investments have been made using local funds exclusively. Instead, local authorities have worked with national authorities or international programs in order to co-finance CC related investments. LAUs have for example been made responsible for administering some aspects of the national building stock energy efficiency program. The implementation of that program was highly problematic and carried significant administrative costs, with no monitoring of results or performance assessments. A few LAUs have partnered with international institutions through which they finance local programs, as was the case with Bucharest's energy efficiency for residential housing program, but this is the exception not the rule.³⁰ However, some LAUs have used taxation to encourage private sector investment in energy efficiency. In many urban centers the TRACE studies performed in Romania by the World Bank have found that City Councils have introduced tax breaks for households that self-financed thermal insulation work.

6.1.7. Private funding sources

Romania already has policies that incentivize private sector investment in green technologies, the most important of which are the ETS and Renewable Energy schemes. While it is true that the bulk of Romania's decrease in emissions is due to the loss of economic activity, the implementation of the ETS scheme has pushed companies to make investments in more efficient production equipment or even in producing their own renewable energy.

Private sector companies have also taken voluntary action, as elsewhere in Europe. Most corporations and larger companies active in Romania have adhered to international management standards, including risk management standards. The assessed risk often includes extreme events, though companies do not include CC in their long term operations planning per se. CC related innovation, and research and development investments by the private sector in Romania, are low, but partnerships with international financiers or international patent owners have met with some success.

Households will need to continue making CC related investments. Investments in home insulation have been particularly popular, as shown by the city hall's moves to cut taxes for those who have made these types of investments. Romanians have also been interested in renewable energy, particularly in solar panels used for water heating. Unfortunately there are currently no national level estimations of how much has been invested by households.

6.2. Capacity gaps/needs for improving project financing capacity

To address CC in an effective and sustainable way, claiming CC as a national priority will need to be reflected in the structure of national and local budgets. So far public funds investment in CC action

³⁰<http://www.eib.org/infocentre/publications/all/landmark-projects-in-the-eu.htm>

has been quite limited, and also difficult to assess due to the assignation of funds to institutions rather than programs. Furthermore the restrictions on multi-year national and local budgets act as an added structural issue for efficient CC planning. While public funds are limited, the intelligent allocation of funds to climate actions will have multiple co-benefits, which can be reaped through the implementation of the LCGGP.

Efficient inter-institutional dialogue will be needed for the design of climate action programs. The directions and programs discussed in the strategy will need to be implemented by national authorities, through a process that is designed to be co-operative. This is particularly important in the case of ESIF funds, as seen in section 6.1.1., For example, when designing investment programs in sectors they have no direct control over, the MEF will rely heavily on its Intermediary bodies. Since CC is an issue that transcends the authority managing it however (the MEWF) this means that staff in all intermediary bodies and managing authorities will need to have a thorough understanding of how to integrate CC considerations into the formulation of investment programs.

Although as the financial arm of the MEWF, the Environment Fund Administration (EFA) hasn't acted as an engine for climate action. While it has administered some programs, their implementation has been slow and no CC indicators have been monitored. Communication on climate change and the programs it was running was only done during the initiatives' announcement; it became almost completely opaque during the project selection and implementation stages, there were hardly any impact assessments. The indicators used by the EFA have in fact been primarily financial, with no intent on connecting performance to rewards. The institution itself has been in a state of near constant flux, with near constant changes in leadership and structure. In the press and among the public at large it is seen as a highly politicized, bureaucratic, and inefficient organization. Previously, project sessions have been announced and terminated with nearly no warning, and some applications were still 'being processed' years later. The Rondine³¹ project may be an opportunity for the implementation of more efficient CC action, but it remains ongoing, and is therefore difficult to evaluate.

The use of funds obtained from Romania's auctioning of ETS allowances is not governed by functional legislation. The European legislation establishing the ETS held that the funds could only be used for climate actions and so the MEWF was expected to administer it, but it did not have the capacity to manage the financial aspects of auctioning allowances on international markets. Instead, that responsibility was assigned to the MPF through EGO no. 115/2011 which established institutional arrangements in Romania. Unfortunately the procedure for the use of the auctioning profits involved line ministries, the EFA, and government approval, the mechanics of which are so impractical and counterintuitive that it has never been used, nor is it likely to be used. Any use of those funds has been made through emergency governmental ordinance, assigning financing to one project or another of political importance at the moment, with little to no effort to justify them as climate actions. Any attempts to reform the law have failed so far. The use of ETS revenues is treated separately in a specific report under the LCGGP, which considers the possibility that these funds could be the basis for setting up a dedicated CC Fund, together with other funding sources.

The largest stopgaps to using EU funds during the previous MFF have been the ineffective processes and long reimbursement delays. Romania has had the smallest absorption rate for Cohesion Funds

³¹ <http://www.rondine.ro/en>

among European countries during the 2007-2013 period, at only 52.2 % as of the end of 2014. This rate is 20% lower than the European average and has been highly criticized by the press and the public. Rapidly changing legislation and a heavily bureaucratic process with projects and payments being delayed for years have eroded the public's trust, and disincentivized investors in Romania (both Romanian, and international) from providing co-payments for projects developed around ESIF funding opportunities.

Co-financing has been problematic due to both a lack of funds and a lack of capacity. ESIF as well as Life+ both require that co-financing be provided by local partners. For NGOs creating awareness-raising programs, for example, this proved to be a serious impediment, particularly since public authorities were unwilling to provide any assistance or set up partnerships in implementing such projects, even when a program was clearly in the public interest. For public authorities, particularly LAUs, there is a lack of interest and capacity, since staffers who would need to initiate and manage projects often also have other duties and very limited training. Furthermore, identifying sources of financing in strained local or institutional budgets for projects with long development cycles is highly problematic.

Cooperation on climate action between the public and private sector is hampered by inconsistent PPP implementation. The concept of PPP has a long history in post-communist Romania; however, in the most recent 15 years, not many projects have been developed using this type of contract. The legal framework was changed several times (2002, 2006, 2010, 2011, 2014, 2015), and there was a period of time when the PPP, being a part of the public tendering procedure and contracts, was not expressly regulated (2006 - 2010). As a consequence, most of the relationships between public authorities and private investors were regulated through concession contracts. The best example with respect to PPP contracts (as concession contracts) is one of managing public lighting systems in Romanian cities. By using this type of contract, public authorities were able to improve the quality and the efficiency of the service without spending their capital for investments. Based on the regulation issued in 2010 (Law no. 178/2010), by the end of 2012, the database of PPP projects contained 23 projects, out of which 5 were related to renewable energy sources (RES), transport, and, consequently, to climate change. In 2014, it was established that the PPP contracts would be managed by the State Department for Foreign Investment and PPPs. After the Romanian Constitutional Court found the law unconstitutional in June 2014, it was again reformed, approved by the Romanian Parliament in June 2015.

Local Authority Units (LAUs) are legally restricted from implementing multiyear budget planning, which constrains their ability to implement CC Action Plans. Financing decisions related to energy efficiency must be compatible with rules regarding public budgets. Furthermore, the energy savings reflected in reduced energy bills leads to lower local budgets over the next financial year. This is due to the fact investment costs related to energy efficiency are drawn from the budget's expense category, while energy bills are paid through the operational budget. Thus Romania's ability to finance or co-finance long term policies, even when there is local consensus, is severely restricted. LAUs should be able to reserve funding within annual budgets and firmly commit to doing the same in the following years. Conversely, they must make efforts to identify other financial sources, including ways to cooperate with funding institutions and the private sector, using appropriate financing mechanisms and schemes.

Romania invests little in research and innovation. According to the Competitiveness Operational Program (COP) documentation, Romania has a target of 2% for research and development investment (RDI) by 2020, split equally between public and private funds. However during 2011, the NIS found that the total amount of RDI expenditures reached 0.48% of the GDP, of which 80% were public investments. While some climate research has currently been performed while Romania was preparing strategies to plan for its 2020 goals, investment in CC innovation has been essentially non-existent.

Information on climate action funding opportunities has been extremely difficult for stakeholders to find. For both private and public sector entities, information on funding opportunities available in Romania is both limited and difficult to confirm. Minimal information on an investment program may be presented on the ministerial website, but it is rarely updated and it can often be difficult and time-consuming to receive clarifications or details from public authorities. The NCCC Financial Technical Group will need to maintain an updated website with information for potential beneficiaries.

6.3. Options for climate finance capacity building

6.3.1. Financing

While this report focuses only on capacity building aspects, Romania will need to identify the means to create a supportive environment for CC investment. The notion of such an “enabling environment” is well known and has been studied by the World Bank³², IFC³³, and IPCC³⁴ among others. While the definitions can vary, this is generally understood as an ensemble of private sector regulations, backed by credible administrative capacity, that incentivize investment in new technologies and climate actions. The IPCC argues that it ideally has three components: 1) the core business environment, which is relevant for all types of businesses, e. g., tax regime, labor market, and ease of starting and operating a business; 2) the broader investment climate, including education, financial markets, and infrastructure, which is partially low-carbon related, e. g., via climate change education or investments in electricity grids; and 3) targeted policies that encourage the business sector to invest in low-carbon technologies.”³⁵ In order for Romania to move towards a low carbon economy it will therefore need to undergo a thorough study of its legislation as well as subsidies, and fiscal and taxation policies in this light. The result of the study will then need to be used to guide legislative, regulatory and policy changes. This type of debate will need to involve all of the main financial authorities in Romania as well as the private sector, and could probably be negotiated at least in part within the NCCC.

Capacity building will primarily take the form of closing knowledge and skill gaps. Considerable effort will need to go into education and training to increase the CC knowledge among the Romanian public and private sector, including civil servants, consumers, lenders, developers, utility companies and planners. This will increase the capacity of national and local public authorities to formulate CC aware policies and strategies, and increase the performance of the projects themselves. It will also be essential to involve financial institutions and insurers in order to prepare them to engage with the initiatives discussed in the Strategy. In addition, the training of experts in climate finance and

³²<http://elibrary.worldbank.org/doi/book/10.1596/978-1-4648-0020-7>, <http://www-esd.worldbank.org/citiesccadaptation/enablingenvironment.html>

³³http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/cb_home/publications/publication_enablingenvironmentadaptation_landing

³⁴ <https://ipcc-wg2.gov/AR5/report/>

³⁵ <https://ipcc-wg2.gov/AR5/report/>

monitoring and evaluation will, in time, decrease the start-up costs of green projects. The main goal of these efforts is to increase the attractiveness of low carbon investments and mainstream CC not only into strategic public planning, but also into the private sector's operational planning. Misconceptions about CC investment opportunities will need to be corrected. Some RE technologies, for example, probably suffer from bad press due to reliability concerns of earlier technology generations or inexperienced service providers.

Creating and maintaining the Climate Finance Toolkit will be key to diffusing updated, critical financial knowledge and skills throughout the period 2014-2030. Building the EECI will be a longer-term project, while some of the investment discussed in the Strategy will need to be initiated in the short- and medium-term. Furthermore, the lengthy process of building the enabling environment, and the historical tendency of Romanian legislative processes to shift, will mean that investors will need to continuously update their knowledge of project design, operational procedures, and best practices. Furthermore, several types of potentially unfamiliar financial instruments, as seen in the National Climate Change and Low Carbon Green Growth Strategy and Action Plan, will be appropriate for different CC programs and beneficiaries. Better investment targeting capacity could also be built so ensure that vulnerable groups are reached. The MEWF and CPN could work with national authorities to develop and eventually maintain the databases containing information on how to use any given financial instrument and what type of projects they are most appropriate for. A financial toolkit could be used by all governance levels, including in order to make it more achievable for LAUs to collaborate with international financing institutions. Creating the tool kit would involve the use of ICT, but the kit would also need to be maintained and updated based on best practices. ESIF funding could be used for an in-depth study of which instruments are best suited and how they will need to be implemented into national legislation. Energy services companies (ESCOs) could be helped to gain traction in Romania, since they integrate impact assessment in their operational principles. The main authorities involved would have to be the MEWF, EFA, MPF, MESMEsB, MRDPA and METT. The topic could be developed in the spirit of PPP in the NCCC technical groups in collaboration with CP, including, for example, ESCOROM, a Romanian NGO association for ESCOs.

The PPP approach to climate initiatives will be one of the more important, effective, and credible tools for implementing the Strategy. Many of the projects proposed in the strategy involve larger scale investments, like those in the transport or local development sectors, which are far more likely to be effectively performed through collaboration between the private and public sectors. The revised PPP legislation will now hopefully provide a stable and adequate regulatory framework, with a high degree of transparency, drawing the interest of foreign and national private capital towards projects that are beneficial to Romania's low carbon development goals. Furthermore, as policies creating the CCEEI are put in place investors' interest of will grow, but the possibility of working with the public sector will provide additional incentives. Also, while clean energy and mitigation might be the most immediately apparent sectors for investment, adaptation also creates important avenues, particularly for energy and communications companies, which will need to make their networks more resilient.

6.3.2. Research and Development

Consistently support climate innovation and research in Romania. The Competitiveness Operational Program contains several avenues for supporting RDI and extending the use of ICT in the public and commercial spheres during the period 2014-2020. These opportunities need to be harnessed in order to spur climate action. The Climate Partners could initiate programs to amplify the links between the

private, business and public sphere so as to ensure that research is needs focused and that ICT is used to amplify climate action.

Table 7. CC Finance capacity building measures

Activity Name	Implementing Agency	Timeline (S, M, L)	Notes
Study and ways to create an Enabling Environment for CC investment (EECI)	MEWF, CP, MPF, EFA, MESMEsB, MRDPA and METT	S	<ul style="list-style-type: none"> The national budget can be a source of funding. If stakeholders could receive more support from Romanian institutions, Horizon 2020 could be a source for financing some activities' research Broader investment in research institutions around CC is needed.
Implement the necessary legal, regulatory and policy changes necessary for a EECI	GoR	S, M, L	<ul style="list-style-type: none"> This will be a complex ongoing process which will need to move in concert with the international efforts to mobilize climate finance.
Adjust multi-year budget planning for local authorities	GoR	S-M	<ul style="list-style-type: none"> Measures would allow LAU to allocate resources for the action plans submitted to the Covenant of Mayors (CoM).
Develop a CC financial toolbox	MEWF & CP	M	<ul style="list-style-type: none"> The toolbox will need to be maintained, and therefore carries some maintenance costs. Some ICT investment will initially be needed. Analyzing available funds and transparency of the funds (ESIF, bilateral funds, national funds – public and private etc).
Revise PPP practices to make them attractive for CC initiatives	GoR	S	<ul style="list-style-type: none"> PPPs will be an essential tool for climate action in Romania. Use EBRD experience with ESCOs.
Develop CC partnerships with the private financing and insurance sectors	MEWF, MPF, CPN	M, L	<ul style="list-style-type: none"> In order to empower private sector CC investment, the relationship will need to build over time. There will be some associated costs for conferences and incentive schemes.

7. Monitoring and Evaluation

Regardless of the implementing entity, Romania's record on CC M&E is inconsistent. Another output, Report A2.7 on monitoring and evaluation indicators related to the implementation of the climate change strategy and action plan expands on the topic of M&E. However, the topic has implications for capacity building. Romanian CC M&E mechanisms have been disaggregated, particularly with regards to ESIF funds. During the previous MFF 2007-2013 there was nearly no effort to monitor the impact of relevant projects on any CC indicators. Even in the case of projects where CC indicators were used, none of the data was aggregated at the national level. With regards to Joint Implementation projects, national regulation has assigned the EPA to perform M&E. However, it is not clear whether the monitoring system is operational as such or if it needs upgrades/updates. In contrast, the ETS framework has far clearer and more effective M&E mechanisms, which are used to illustrate the efforts made in sectors covered by the specific regulation. Unfortunately Romanian legislation provides no efficient monitoring system for adaptation projects, despite the fact that the country's first Adaptation Plan was established in 2008.

7.1.1. Strengthening Monitoring and Evaluation

M&E can be reinforced by strengthening the CC aspects of SEA and EIA. The European legislation on impact evaluation provides a solid basis for identifying relevant CC indicators. In fact the EIA Directive 2014/52/EU, which is to be transposed by 2017, clearly establishes climate change impact as one of the factors to be monitored. SEA legislation has similar provisions. However, while the new legislation is being transposed a provision will need to be added to the current impact assessment legislation which would require the owner of the strategy/program/project to assess the GHG emissions projections and climate change hazards while considering the development/investment alternatives and the possibility of adopting a more CC friendly option. By adding this provision, the Government can contribute to enhancing CC awareness at all levels (business, public authorities, civil society) and ensure consistent financing and monitoring for CC projects. Since the majority of projects funded by ESIF will go through EIA or SEA they will, for the period 2014-2020, need to monitor CC indicators relevant for each individual project. Romanian ESIF managing authorities will need to ensure that program guidelines include a reference to the need to monitor CC indicators identified through the impact assessments as well as a channel for the data to be aggregated, possibly with the aid of the CP Network.

Overall monitoring responsibility for the implementation of the national CC Strategy, along with the necessary resources, should be given to the Public Policy Unit (PPU) of the MEWF. Governmental Decision no. 775/2005 provides the general framework for public policies M&E, and institutes PPUs responsible for preparing, monitoring and evaluating public policies in each ministry and state agency. The MEWF PPU could interact with other units within the MEWF and the NCCC in order to aggregate the information reported by the responsible institutions as per the monitoring requirements included in a monitoring plan. This plan must define all responsible institutions, sources of information, frequency for collecting the information and frequency of reporting, evaluation frequency and procedure, as well as beneficiaries of the reports. The feedback of partners and recipients should be collected both in writing and through workshops organized and led by the MEWF and CPN. In order to perform the monitoring tasks, the PPU must make sure it has enough competence with respect to climate change monitoring and reporting.

Training programs to help experts identify appropriate CC indicators are essential. So far, experts performing environmental impact assessments have generally only touched on CC in minimal ways, as issues of general context. Many have considerable knowledge of environmental concerns, but fewer are aware of CC risk and impact assessments. Therefore specialized training, perhaps provided with ESIF funding by CP NGOs, will need to be made available to ensure that relevant CC indicators are selected for all projects and programs.

Managing authorities will need to publicize, inform and use clear principles for CC project M&E. While the impact assessment procedures will identify project-specific CC indicators, a framework for CC M&E will need to be created, publicized, and used as a template for all projects and programs. The principles would need to be differentiated for mitigation and adaptation actions and be built on the basis of principles integrated into EU funds structure as well as the framework developed by the MDBs, as previously described. With regards to mitigation in particular, EU authorities favor the use of the sectoral approach introduced through UNFCCC's Nationally Appropriate Mitigation Actions³⁶ (NAMA) which provide a relatively easy to use starting point for evaluating reductions in GHG emissions. In the case of adaptation projects, a more case-by-case approach will be needed, with a focus on strong scientific climate data and long-term risk assessments.

Table 8. CC M&E building measures

Activity Name	Implementing Agency	Timeline (S, M, L)	Notes
Reinforce CC importance in SEA and EIA legislation	MEWF	S	<ul style="list-style-type: none"> The MEWF will need to revise SEA and EIA procedures to ensure that CC indicators are selected and monitored.
Assign M&E responsibilities, with necessary resources, to the MEWF PPU	MEWF	S	<ul style="list-style-type: none"> The capacity of the unit will need to be increased significantly, as it currently contains one person with very minimal CC expertise
Prepare a body of independent evaluators on CC M&E	MEWF, MRDPA, CPN	S, M	<ul style="list-style-type: none"> Project evaluators will need to be retrained in order to prepare them for changes to the EIA and Sea procedures. Training will need to be extended to those designing the programs who will make use of ESIF.
Ensure that aggregate M&E data is made available and used to inform policy decisions	GoR	S, M, L	<ul style="list-style-type: none"> The GoR will need to adopt more open data policies that expand upon the minimalistic notion of transparency currently in use. Using M&E aggregate results will provide a solid evidence base for future policy-making decisions.

³⁶<http://unfccc.int/focus/mitigation/items/7172.php>

8. Public Engagement

Since 2002 at the Conference of the Parties (COP) 8 under the New Delhi Work Program, the Parties have been encouraged to engage all stakeholders (e.g. local governments, non-governmental organizations, intergovernmental organizations, business and industry). Engagement is understood in the spirit of Article 6 of the convention to mean more than passively disseminating information. Instead it includes education, training, public awareness, public participation, public access to information, and international cooperation. The New Delhi Work Program serves as a framework for country-driven actions, giving the Parties flexibility in implementing and taking into account national circumstances and priorities. The program was reviewed in 2007 at COP 13, resulting in a request that the Parties report on their further efforts in implementing the program.

Information on climate change should start in primary school, and continue to secondary school and higher education as well. However, the study *eSchool for Sustainability in the Danube region – Romania country report*³⁷ reveals the fact that education about the environment (or regarding sustainable development) is voluntary in Romania for secondary schools, and information is dispersed into different curriculums. The situation is similar in primary schools, and only programs initiated outside of the schools, mainly by NGOs, involve children in different forms of non-formal education involving awareness of issues related to the environment or sustainability. At the higher education level, over the last years a couple of new specializations were set up Romanian Universities, touching, at least in part, the issue of climate change. On the other hand the deficit of expertise is pretty large, and the number of masters or doctoral studies focused on climate change remain quite limited.

An important indicator that could measure the level of engagement in educational programs in the field of climate change is the number of Romanian participants entering European climate change programs like Long Life Learning or Intelligent Energy for Europe or Life (about education and public awareness). Unfortunately, Romanian participation is pretty limited in those programs, and one of the barriers is co-financing. With the exception of governmental organizations, no sources of co-financing were found for those programs for other stakeholders.

Romania should also undertake improvements in the vocational education system in order to prepare the new green economy's labor force. To implement such reforms close cooperation between the MEWF and Ministry of Education and Scientific Research should take place, and Education for Sustainable Development should become a national priority.

In terms of building capacity, for authorities and NGOs, the new Operational Program on Administrative Capacity (ACOP)³⁸ 2014 – 2020 could represent an important opportunity for developing climate change training programs. EU legislation, including that on climate change, requires extensive engagement and the consultation of stakeholders during the policy-making process. As a member state, Romania has to demonstrate transparency, accountability, efficiency, fairness, the rule of law, participation, ownership, and the flow of information between government and citizens – all together, good governance.

³⁷ http://issuu.com/terramii/docs/romania_country_report_en/1

³⁸ <http://www.fonduriadministratie.ro/25-februarie-2015-poca-2014-2020-aprobat-de-comisia-europeana/>

Climate change communication requires different communications tools, like: specialized web pages, newsletters, seminars, press meetings, social media, videos etc. For the time being, those instruments are missing for climate change. All of the reporting documents to the EU or UNFCCC should be found on the webpages of those beneficiaries' institutions, but not on any Romanian institutions responsible for implementing or reporting. Nevertheless, developing such instruments alone is not enough because they should be maintained, updated and improved. This requires both human resources and financial resources. In exchange, it will offer the benefit of an informed population that could take part in decision-making processes.

Awareness campaigns are needed for the general public. And for targeting a large number of the population, mass media needs to play an important role. Mainly, the responsibility of initiating and supporting public awareness campaigns and programs rests on the public authorities' shoulders. Very often, the NGOs are also playing an important role in implementing awareness campaigns. At the EU level public awareness is measured annually with the Eurobarometer, which indicates the level of concern for citizens in all of the member states. Apart from this, some countries have developed national tools for assessing the public's awareness. For example, the Swedish Environmental Protection Agency regularly conducted surveys of Swedes' attitudes towards, and understanding of, the climate problem. Public awareness should be an attribute of the public authorities, whether national, regional or local.

A number of instruments could be used for raising CC awareness:

- Information campaigns;
- Resource or information centers;
- Involvement of NGOs and IOs and Chambers of Commerce;
- Networking.

Many governments are supporting NGOs with grants for developing awareness campaigns and educational programs. In Romania, the Environmental Fund could play this role as well, if it would be restructured and become more transparent. For the time being, the Environmental Fund is quite controversial and Romanian NGOs complain about its performance. The focus is more on how to spend the money, and not on the results of the programs and their impacts. The Environmental Fund could also be used as co-financing for European programs; the impact is much higher and the costs could be reduced.

Networking is also an important instrument for raising awareness, sharing information, and improving knowledge. In Romania a federation of NGOs called Romanian Climate Action Network was set up and later nominated to UNFCCC to be responsible for article 6 of the convention. Since its nomination in 2008, this organization has not received any requests or incentives from the Romanian authorities, who seem unaware of article 6's focal point.

Involving Industrial Organizations or Chambers of Commerce could create specific campaigns dedicated to companies. Public consultations are a necessary obligation based on the European, and implicitly national, legislation. Public consultations are often done as a formal step due to the accelerate process run by the authorities and the limited knowledge of civil society. Generally, the public consultations consist of posting the information on the internet, and in very limited cases in having public debates with stakeholders or using other forms of consultation like questionnaires or interviews. The authorities could set up a so-called advisory expert group that could have a consultative role in developing new policies and programs or connecting different sectoral policies.

Table 9. Public engagement measures

Activity Name	Implementing Agency	Timeline (S,M,L)	Notes
Integrating CC in the educational Curricula	MEN	S,M, L	<ul style="list-style-type: none"> • Some costs associated with training teachers and education experts. • Resistance from the Ministry of Education and Scientific Research.
Awareness and IEC campaigns to support CC issues and to promote the principle of sustainable development	MEWF & CPN	S,M,L	<ul style="list-style-type: none"> • National budget and/or Environmental Fund. • ESIF funding can be identified for this type of project. • Minimal risk.
CC Best Practices sharing conferences for specific interest groups	CPN	S,M,L	<ul style="list-style-type: none"> • National funds or ESIF funding may be available. • May become at least in part self-sustainable when managed by CPs.

9. Concluding Remarks

The reform of the NCCC and creation of the CPN will provide the formal framework for the implementation of the LCGGP. Engaging all stakeholders, and catalyzing private sector action, is integral to the capacity building effort. Reform of the NCCC ensures that authorities responsible for all sectors impacted by CC will be more capable of implementing the climate actions proposed by the LCGGP in an integrated manner. Furthermore, the NCCC's connection with the CPN will ensure that stakeholders have an open channel of communication with national authorities to make policies more responsive and effective. The CPN itself can become a formidable tool for dispersing knowledge, expertise, and best practices.

Along with other national authorities, the capacity of the MEWF to negotiate, formulate and support the implementation of CC policy will need to be consolidated. All relevant Romanian institutions will need to build a capacity to understand the impact of CC on their sector or area of responsibility. The MEWF however will continue to play a central coordinating role and will therefore need sufficient and well trained personnel to coordinate with all other sectors in order to make the implementation of the Strategy feasible and effective.

Beyond the institutional changes, the capacity building effort focuses on closing knowledge and skill gaps. Indeed, the CPN will act as a repository of knowledge in time. However, particularly in the initial stages substantial effort will need to be extended on building the level of CC expertise available in Romania in the public and private sectors. Certain companies, for example in the energy or construction sectors, will need to integrate CC into their long term planning beyond individual risk factor assessments. In the public sector CC expertise will need to be provided to national and local civil servants, along with explanations of how it needs to be integrated into long-term planning or how it applies to their individual sector. M&E in particular will need ample capacity building in order to ensure that it is implemented in a way that is effective without adding undue burdens.

Though these proposals may sound daunting, Romania has already made strides, and it also benefits from the support structure of an EU member state. The Europe 2020 goals have given Romania a focus to their reform efforts and a good impetus to move towards a low carbon economy. It is fortunate that the implementation of the LCGGP is taking place in this context. The capacity building measures proposed in this report are in synergy with the overall administrative capacity strengthening principles, and should therefore face less resistance than previous reform initiatives. Furthermore, the EU has already agreed to 40% cuts in emissions by 2030, making the LCGGP's implementation even more important, and giving an additional impetus to CC capacity building. The Capacity Building Roadmap, containing an extended list of measures and also the implementation time horizon, can be seen in Annex 7, while the more compact form of the measures in the format of the National Action Plan can be found in Annex 8.

This report recommends a complex package of measures that will make the implementation of the LCGGP both achievable and sustainable. The gradual long-term approach of this document is meant to create synergy between legal, institutional, financial and soft measures to create a solid support structure for the implementation of the LCGGP. The interplay of measures will build the cross-sectoral and multi-level capacity needed to help Romania move towards intelligently adapting to the effects of CC and reducing its GHG emissions without negatively impacting its economy.

Annexes

Annex 1. Summary of implemented and planned European policies and measures

Policies and measures 'Cross-cutting'	Stage of implementation/timetable /comments
EU Emission Trading Scheme	Implemented since 2007.
Monitoring Mechanism Regulation	Adopted and in force since 8 July 2013.
Back loading	Auctioning of 900 million allowances from the early years of phase 3 of the EU ETS postponed to the end of the trading period. Regulation (EU) no.176/2014 amending Regulation (EU) no. 1031/2010 related to the volume of GHG allowances to be auctioned in 2013-2020.
Creation of a market stability reserve for the ETS phase 4 (2019 onwards)	Proposal adopted on 22 January 2014; submitted to the Council and Parliament. The current draft proposes automatic adjustments of the volume of allowances to be auctioned in relation to the number of allowances in circulation, under pre-defined circumstances.
2030 Climate and Energy package	Communication adopted by the Commission on 22 January 2014; subject to discussions within the EU institutions.
European Energy Security Strategy	Communication adopted by the Commission on 28 May 2014; subject to discussions within the EU institutions.
Roadmap for moving to a competitive low-carbon economy in 2050 (2011)	Communication adopted by the Commission.
7 th Environment Action Program (2013)	In force.
Clean Air Policy Package	Package proposed by the Commission, subject to discussions within the EU institutions.

Energy Supply

Policies and measures 'Energy supply'	Stage of implementation /timetable /comments
Promotion of electricity from RES-E (2001)	In force.
Renewable Energy Directive (Directive 2009/28/EC)	In force.
CCS Directive	In force.
NER 300 laying down criteria and measures for the financing of commercial demonstration projects for CCS and innovative renewable energy technologies under the revised EU ETS	Under the first call for proposals, the Commission made funding awards in December 2012 for a total value of € 1.2 billion to 23 renewable energy projects. Second call for proposals was awarded in July 2014, amounting to € 1 billion supporting 18 renewable and 1 CCS projects.

Directive on promotion of cogeneration	In force until mid-2014. Repealed by the new Energy Efficiency Directive.
Further measures on renewable heat (including biomass action plan)	Biomass Action Plan, Dec 2005, with over 20 further actions planned. Renewable heat included in proposed new Directive on renewable energy.
Intelligent Energy for Europe: Program for renewable energy	Program for policy support in renewable energy
Developing the internal energy market	Amendments to a number of directives to continue to help complete the internal energy market.
Strategic Energy Technology Plan	6 European Industrial Initiatives and 10 Integrated Research Programs that address the development and market roll-out of new generation of renewable energy, carbon capture and storage, nuclear and smart grids technologies in force since 2010/11. At EU level these initiatives are supported by FP7.

Energy demand

Policies and measures 'Energy demand'	Stage of implementation / timetable / comments
Energy Efficiency Directive	The Directive entered into force on 4 December 2012. Most of its provisions had to be implemented by the Member States by 5 June 2014.
Directive on the energy performance of buildings	Replaced by the recast Directive below.
Directive on the energy performance of buildings (recast)	Adopted in May 2010 with an implementation deadline for most of its provisions by July 2012.
Directive on ecodesign requirements for energy-related products Directive on labelling of the consumption of energy and other resources by energy-related products	Product policy under implementation. 25 implementing measures adopted on ecodesign, including voluntary industry agreements, and 12 on energy labelling. Numerous implementing measures are under the preparation.
Regulation on the labelling of tyres with respect to fuel efficiency and other essential parameters	Product policy under implementation.
Regulation on energy efficiency labelling Program for office equipment (Energy Star)	Product policy under implementation.
Directive on energy end use efficiency and energy services	In force until 5 June 2014, except for Article 4 which will be repealed from 1 January 2017. Afterwards to be (almost fully) replaced by the new Energy Efficiency Directive; National Energy Efficiency Action Plans adopted in all EU-27.
Action Plan on Energy efficiency as a follow-up to the Green Paper	Launched Oct 2006. Identifies 10 priority actions to help achieve the 20% energy efficiency target of 368 Mtoe primary energy savings in 2020 (or 740 MtCO ₂ -eq). Reinforced in March 2011 (see below).

Energy Efficiency Plan 2011	Launched March 2011. Aims at closing the gap to the 20% energy efficiency target in 2020. It was followed by the adoption of the new Energy Efficiency Directive.
Action under the Industrial emission directive	Reference document on Best Available Techniques regarding Energy Efficiency finalised.
Intelligent Energy for Europe Program (incl. Covenant of Mayors, ELENA), followed by the Horizon 2020 Program	Program for policy support in energy efficiency.
European Energy Efficiency Fund	Launched in July 2011. Estimated investment potential of EUR 265 million for energy efficiency, renewables and sustainable urban transport projects.
Public procurement	EU Handbook developed for guidance for increased energy efficient public procurement.
Strategic Energy Technology Plan	Launch in 2012 of the Smart Cities and Communities European Innovation Partnership addressing the demand side of low-carbon technologies in energy, transport and ICT sectors.

Transport

Policies and measures 'Transport'	Stage of implementation / timetable / comments
Strategy on CO ₂ from light duty vehicles; regulation on CO ₂ emissions from passenger cars, regulation on CO ₂ emissions from light commercial vehicles, car labelling directive	The two amending Regulations implementing 2021/2020 targets for cars/vans became active. Regulations request a review setting targets beyond 2020 by the end of 2015.
Fuel quality Directive –setting a 6% reduction target of the carbon intensity of fuels and also regulates the sustainability of biofuels	First implemented in 1998. Revised in 2009 and amended in 2011 - implementing act laying down calculation methods is under preparation
Directive on the promotion of transport bio-fuels	Repealed, Replaced by the Renewable Energy Directive (Directive 2009/28/EC).
Initiative on fair and efficient road pricing, revising Directive 1999/62/EC and Directive 2004/52/EC	Proposal under preparation by the Commission.
Infrastructure charging for heavy goods (revised Eurovignette)	Adopted (Directive 2011/76/EU).
Proposal for a Directive revising Directive 96/53/EC on maximum weights and dimensions	Proposal adopted by the Commission.
Shifting the balance of transport modes	Package of measures in implementation.
Fuel taxation (Energy taxation directive 2003//96/EC)	In force Review of the Energy Tax Directive under special legislative procedure with unanimity.
Directive on mobile air conditioning systems: HFCs	In force.
Inclusion of Aviation in EU ETS for flights within the EEA	Adopted.

	<p>Includes all intra-European flights since 1/01/2012. Since March 2014, the coverage of the EU ETS is limited to flights within the European Economic Area for the period from 2013 to 2016, pending the adoption of international rules under the aegis of the International Civil Aviation Organization.</p>
Strategy on Integrating maritime transport emissions in the EU's greenhouse gas reduction policies	<p>Adopted.</p> <p>In June 2013 the Commission proposed a Regulation which would establish an EU-wide system for the monitoring, reporting, and verification of CO₂ emissions from large ships beginning in 2018.</p>
Public procurement of vehicles (Directive on the Promotion of Clean and Energy Efficient Road Transport Vehicles 2009/33/EC)	<p>In force.</p> <p>The Directive requires that energy and environmental impacts linked to the operation of vehicles over their whole lifetime, including CO₂ emissions, are taken into account in public procurement decisions.</p>
Strategic Energy Technology Plan	<p>One Joint technology Initiative on Fuel cells and Hydrogen in force since 2009, and one European Industrial Initiative and Integrated Research Program on bioenergy in force since 2010/11. At EU level these initiatives are supported by FP7.</p>
White Paper: Roadmap to a Single European Transport Area	<p>Strategy to create a competitive and efficient internal EU transport system, cut transport emissions by 60% by 2050, adopted in 2011.</p>
Regulation EURO 5 and 6 (692/2008/EC)	<p>In force.</p>
Euro VI standard for heavy duty vehicles (2013)	<p>In force.</p>
Clean Power for Transport package including the deployment of alternative fuel infrastructure	<p>Proposal adopted by the Commission.</p>

Industry & non CO₂ gases

Policies and measures 'Industrial Processes'	Stage of implementation / timetable / comments
Fluorinated gases: F-gas Regulation MAC Directive (mobile air conditioning systems)	<p>In force.</p> <p>The newly adopted F-gas EU Regulation no. 517/2014 replaces the previous Fgas EU Regulation no. 842/2006 and will apply from 1 January 2015.</p>
Industrial Emissions Directive 2010/75/EU	<p>In force</p> <p>In 2008 the IPPC Directive was codified and in 2010 amended by the Industrial Emissions Directive.</p>

Agriculture

Policies and measures 'Agriculture'	Stage of implementation /timetable /comments
Reduction of CH ₄ and N ₂ O from animal manure	Possibility for support through Rural development programs, through anaerobic digestion, and improved manure storage and management.
N ₂ O from soils	Possibility for support through Rural development programs and from an improved implementation of the nitrates Directive (1991/676/EEC). Through promotion of more efficient usage of nitrogen fertiliser.
CAP reform post 2013	<p>The reformed CAP was agreed upon in late 2013, consisting of two pillars</p> <p>Pillar I: Direct payments (new changes will be ready for 2015). Contains a new greening component to help protect soil carbon.</p> <p>Pillar II: Rural development program (changes will impact on country RDPs submitted this year).</p> <p>Includes a new 20% climate mainstreaming requirement.</p>

Annex 2. Inventory of Effective Climate Change Legislation

International Climate Change legislation

- UN Framework Convention on Climate Change, signed in Rio de Janeiro on June 5, 1992 ratified on Law no. 24 of May 6, 1994;
- Kyoto Protocol to the UN Framework Convention on Climate Change adopted on Dec.11, 1997 ratified on Law no. 3 of Feb.2, 2001.

European Climate Change Legislation

- Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (IPPC Directive);
- Directive 2004/101/EC of the European Parliament and of the Council amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms;
- Directive 2009/29/EC of the European Parliament and of the Council of April 23, 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community;
- Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) no 1013/2006;
- Commission Regulation no 2216/2004 of 21 December 2004 for a standardized and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision no 280/2004/EC of the European Parliament and of the Council;
- Commission Regulation no 916/2007 of 31 July 2007 amending Regulation (EC) No 2216/2004 for a standardized and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision No 280/2004/EC of the European Parliament and of the Council;
- Commission Decision no 2006/780/EC on avoiding double counting of greenhouse gas emission reductions under the Community emissions trading scheme for project activities under the Kyoto Protocol pursuant to Directive 2003/87/EC of the European Parliament and of the Council;
- Commission Decision no 2007/589/EC establishing guidelines for the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council;
- Commission Decision no 2006/803/EC amending Decision 2005/381/EC establishing a questionnaire for reporting on the application of Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC.
- Decision no 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020;

- Commission Regulation (EU) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council
- 2013/162/EU: Commission Decision of 26 March 2013 on determining Member States' annual emission allocations for the period from 2013 to 2020 pursuant to Decision No 406/2009/EC of the European Parliament and of the Council
- Regulation (EU) No 525/2013 of the European Parliament and of the Council of 21 May 2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change and repealing Decision No 280/2004/EC
- Commission Implementing Regulation (EU) No 749/2014 of 30 June 2014 on structure, format, submission processes and review of information reported by Member States pursuant to Regulation (EU) No 525/2013 of the European Parliament and of the Council

National Climate Change Legislation

- Government Decision no.780/2006 on the establishment of certificate trading scheme of greenhouse gas emissions (published in the O.G. no.554/27.06.2006) – transposes the Directive of the Council no.2003/87/CE of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, amended and completed by G.D. no.133 of February 23, 2010 and G.D. no. 204 of April 30, 2013
- Government Emergency Ordinance no. 64/2011 on carbon dioxide storage
- Government Emergency Ordinance (GEO) 115/2011 regarding institutional framework and Governmental authorization, through Ministry of Public Finance, to auction greenhouse gas emissions certificates attributed to Romania at the level of EU, modified and completed by EGD 70/2013;
- Government Decision no.1570 of Dec.19, 2007 on the setting up of the national system for estimating the level of anthropogenic greenhouse gas emissions resulting from sources or the sequestration of carbon dioxide, regulated by the Kyoto Protocol;
- Government Decision no. 668/2012 for amending and supplementing of Government Decision no.1570 on the setting up of the national system for estimating the level of anthropogenic greenhouse gas emissions resulting from sources or the sequestration of carbon dioxide, regulated by the Kyoto Protocol;
- Government Decision no. 529/2013 for approving the Romanian National Climate Change Strategy 2013 – 2020;
- Government Decision no. 1026/2014 on re-organize of the National Commission of Climate Change;
- Minister's Order no.1170 of 29.09.2008 for the approval of Guidelines on adaptation to climate change effects – GASC;
- Minister's Order no.1474/2007 for the approval of the Regulations on the management and operation of the National Register for Greenhouse Gas Emissions;
- Minister's Order no. 3420/2012 approving the procedure for issuing greenhouse gas emissions permit for the 2013-2020 period;

- Minister's Order no. 2970/2013 for amending and supplementing of the procedure for issuing greenhouse gas emissions permit for the 2013-2020 period, approved on the Minister's Order no. 3420/2012;

Procedures for Joint Implementation (JI)

- Minister's Order no.1122 of 17.10.2006 for the approval of the Guidelines on the use of the "joint implementation (JI) mechanism" based on track II (art.6 of the Kyoto Protocol);
- Minister's Order no.297 of 21.03.2008 for the approval of the national procedure on the use of the JI mechanism based on track I;

Green Investment Scheme – GIS

- Emergency Ordinance no.29 of March 31, 2010 on the use of amount units surplus assigned to Romania under the Kyoto Protocol;
- Government Decision no.432 of Apr.28, 2010 on the inception and development of green investment schemes.

Annex 3. List of relevant Romanian entities involved in Climate Change policy-making

- Foreign Investor Council (www.fic.ro)
- Ownership of cement and other mineral products for construction –CIROM (www.cirom.ro)
- Federation of metallurgy –CONPIROM (www.conpirom.ro)
- Union producers of steel – UniRomSider (www.uniromsider.ro)
- Romanian Railway Club – Clubul Feroviar Roman (www.clubferoviar.ro)
- Oil Patronage of Romania – PPR (www.ppr.ro)
- Eco-Rom Packages – Eco-Rom Ambalaje (www.ecoromambalaje.ro)
- Association of Municipalities from Romania –RMA (www.amr.ro)
- Foundation Terra Mileniu III – (www.terramileniultrei.ro)
- Federation Climate Action Network Romania (www.rac-ro.ngo.ro)
- Regional Environmental Centre Romania (www.recromania.ro)
- Greenpeace Romania (www.greenpeace.org/romania)
- Association Reper21 (www.societal.ro)
- Association Greenitiative (www.greenitiative.ro/)
- Maimultverde –(www.maimultverde.ro)
- CNDDS – (www.cndds.ro)Viitorplus - (www.viitorplus.ro)
- Salvatidelta – (<http://salvatidelta.ro/>)
- Greenrevolution – (www.greenrevolution.ro)
- Activewatch – (www.activewatch.ro)

Annex 4. Romania's regional development arrangements

In administrative terms the **development regions of Romania** (*Regiunile de Dezvoltare ale României*) refer to the eight regional divisions created in Romania in 1998 in order to better co-ordinate regional development. The development regions correspond to NUTS II -level divisions in European Union member states³⁹. The regions do not have administrative status, nor do they have a legislative or executive council or government.

NUTS III level corresponds to counties as well as Bucharest.

Beyond the NUTS levels, the two LAU levels are:

- LAU 1 – corresponding to NUTS III (counties and Bucharest)
 - LAU 2 – municipalities, cities and communes



Source MRDPA⁴⁰

³⁹Nomenclature of Territorial Units for Statistics

⁴⁰ <http://www.mdrt.ro/en/comunicare/presa/comunicate/rolul-regiunilor-in-atingerea-obiectivelor-politicii-de-coeziune-in-romania>

Annex 5. Romania's national capacity building context

Romania's Country Specific Recommendations by the EU Commission⁴¹:

With a view towards reaching the Europe 2020 goals, the European Commission issues country recommendations primarily analyzing economic policies. In May 2015, the Commission published the latest recommendations built on (i) the country reports presented in February; (ii) a thorough assessment of every Member State's plans for sound public finances (Stability or Convergence Programs, or SCPs) and policy measures to boost jobs and growth (National Reform Programs, or NRPs); and (iii) the outcome of the dialogue with Member States and other key stakeholders. The section referring to administrative capacity is reproduced below:

"Romania's administrative capacity is low, fragmented, and characterized by an unclear delegation of responsibilities, as a result of which it acts as a drag on the competitiveness of the economy. The root causes of the structural weaknesses have been identified, and a strategy to tackle the challenges in public administration and in policy prioritization and coordination was adopted in October 2014, together with an action plan for its implementation over the period 2014-2020. Implementation has, however, been considerably delayed. Irregularities in public procurement procedures have resulted in significant delays in implementing EU fund programs. They have a negative impact on the business environment and hold back much needed investment in infrastructure"

National Reform Program⁴²

The GoR responded to the comments in the National Reform Program laying out the steps it is taking to remedy the issue. A segment is reproduced below:

"Improving the efficiency in the administration continue to be a priority for Romania. Strengthening capacity of the public administration to develop and implement policies remains a key challenge, with an impact on the overall development of the country, business environment and the public investment capacity, as well as on providing public services of sufficient quality. Therefore, the OP Administrative Capacity 2014-2020 aims at creating a modern administration to facilitate socioeconomic development through public services, investment and regulations of quality. In this way, the OP contributes to meeting the Europe 2020 objectives.

In this context, the new commitments of Romania for the next 12 months are targeted to raise the efficiency of public administration, to improve the EU funds management, to ensure the IT systems and networks security, to continue the reform of public procurement system

In Q3/2014, the draft of the Strategy on Strengthening Public Administration 2014-2020 was finalized under MDRAP and SGG/CPM coordination. The draft is based on the recommendations of the analysis on structural causes and on the suggestions made by the ministries and associative structures of the local public administration. In October 2014, the Government approved the Strategy and its action plan, including the short term schedule of activities for 2014-2016 (GD No 909/2014). A National Committee (CNCISCAP) ensures the

⁴¹http://ec.europa.eu/europe2020/pdf/csr2015/csr2015_romania_en.pdf

⁴²http://ec.europa.eu/europe2020/pdf/csr2015/nrp2015_romania_en.pdf

coordination of Strategy implementation, as well as its monitoring and assessment. The activity of this Committee is supported by thematic working groups on public policy and regulation, cutting red tape, human resources, quality management and public services, local public administration. The detailed methodology for monitoring and evaluation of the Strategy was approved within CNCISCAP meeting held on 13 March 2015.”

The Strategy on Strengthening Public Administration⁴³

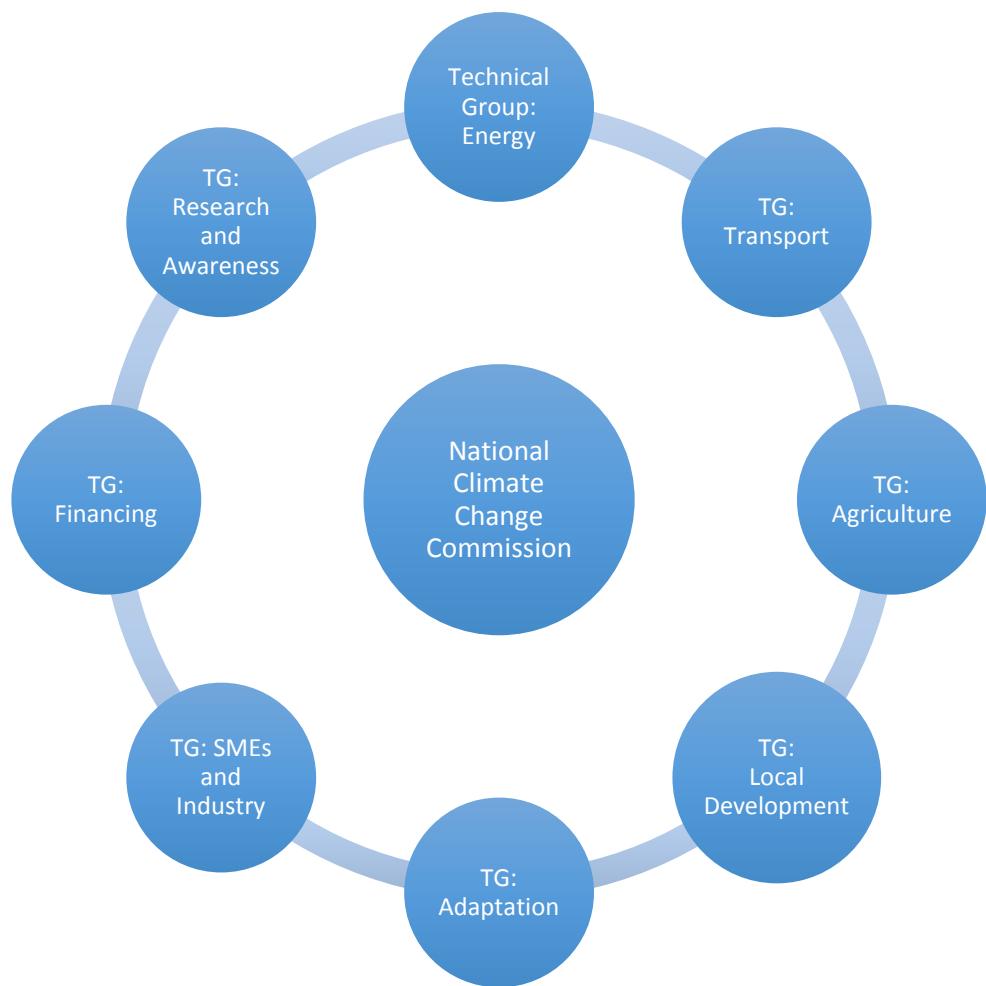
According to this document, Romania envisions that by 2020 its public administration will be:

1. Focused on providing public services – this includes far better use of ICT and better integration and coordination between institutions, reducing bureaucracy and producing better quality services.
2. Open and receptive to innovative solutions – which will manifest as public involvement and engagement, including through the increased use of pilot projects in order to identify best practices.
3. Using simplified and consolidated institutions and mechanisms, which will be driven by three principles:
 - a. A predictable and well documented decision process
 - b. Professional human resources
 - c. Financial management in the public interest

⁴³<http://www.fonduriadministratie.ro/strategia-pentru-consolidarea-administratiei-publice/>

Annex 6. NCCC Reform

NCCC - Proposed Structure Scheme



National Climate Change Commission - the main CC coordination body at the national level meets once per trimester

- Is chaired by representatives of the Prime Minister Cabinet but is also open to members of Parliament
- Is managed and organized by the CC authority

Technical Groups (TG) - are technical bodies that have some decision making authority on technical points but primarily prepare materials to be approved by the NCCC

- Meet on an on-going basis, have relevant permanent members and invite experts or CPs as needed.
- The main tasks would be to review international developments and construct negotiating positions, discuss policy proposals, M&E mechanisms, funding, etc.
- Additional technical groups could be added if needed, within the limits of the CC authority
- The Research and Awareness working group would initially stand on its own, and become integrated within the other groups in time, when CC awareness has increased and the structure is more stable
- The Local Development Group would work with local authorities or CPs representing regions
- The Financing TG would work with the other TGs and the CPN to identify funding for proposed actions and identify, highlight and publicize new opportunities; it would also co-ordinate with the CPN on the Financial Toolbox.

Annex 7. Road Map for Institutional Capacity Building

The actions listed are not exhaustive, and interventions are to be coordinated with the National Climate Change and Low Carbon Green Growth Strategy and Action Plan as well as relevant national planning documents.

Capacity Building Action	Individual Actions	Short term >2017	Medium term >2020	Long term >2030
Legal	Reform the NCCC	*	*	*
	Institute Public – Private Climate Partners Network	*		
	Adopt and open data policy regarding CC information and the policy process	*		
	Review SEA and EIA national legislation to better integrate CC concerns	*		
Improve CC action coordination	Instituting and populating sectoral technical groups of the NCCC	*		
	Relevant line ministries develop CC units	*	*	*
	Relevant line ministries co-chair the technical groups with MEWF		*	*
	Prime Minister's office chairs the NCCC		*	*
	CP clusters become more involved in the functioning of the technical groups		*	*
	CPN collaborate with MEWF in administering the NCCC			*
	NCCC must prepare an annual synthetic report to the public on climate change issues.	*	*	*
Sectoral Coordination	Review and clear assignation of national institutional responsibility for energy efficiency policymaking	*		
	2030	*		
	Identification of adaptation risks for energy systems and assigning institutional responsibilities for adaptation	*		
	Provide incentives programs for the industrial sector to reduce GHG emissions and assess CC risk		*	*
	Updating, disseminating and implementing the monitoring system for CO2 removal for forestry	*	*	

	Development of institutional framework to support efficient and effective supply chain in forestry	*	*	
	Development of a transparent Natura 2000 compensating system within the protected areas	*		
	Designate the responsible bodies to assess the vulnerability of natural habitats and protected species to climate change	*		
	Integrating CC topics into the educational curricula at all levels			
	Technical assistance for LAU low carbon transport planning	*	*	*
Building CC partnerships	First CP are appointed based on previous activity	*		
	CP Network is extended and standards are strengthened		*	*
	CP Clusters are encouraged and reflected in NCCC technical groups		*	*
	Membership fee is introduced		*	*
	CP Network responsibilities are extended within NCCC and at the international level			*
	CP Network maintains the financial toolbox			*
Financial	Perform a study on ways to foster an EECCI	*		
	Gradually introduce the necessary legal, regulatory and policy changes necessary for creating an EECCI	*	*	*
	Reform EFA to deal more easily with ETS funds and CC financing	*		
	Formulate Financial toolbox using best practices and international expertise	*		
	Foster CC Insurance Schemes and CP relationships with companies providing them		*	
	Develop CP relationships with banks in order to encourage CC financing		*	

	Revise PPP practices to make them attractive for climate initiatives		*	
	Update local budget legislation to allow for CC planning		*	
	Develop a support structure for LAUs signatories of CoM		*	
	Develop support systems for private sector entities wishing to become CPs		*	
	Incentive public and private CC research		*	
	Assistance in scaling up CC pilot projects		*	*
	Information campaigns and support for stakeholders in accessing EU fund on CC (Life+, Horizont 2020 etc)	*	*	*
	CP popularize, maintain and promote the financial toolbox			*
CC Macro-Modelling	Identify and partner with institutions capable of operating and maintaining sectoral models	*		
	Invest in the maintenance and update of CC models	*	*	*
	Make use of the models when making decisions in NCCC technical groups			
	Ensure the active involvement of professionals in developing scientific argumentation for policy making	*	*	*
	Give access to models for CP and LAUs		*	*
CC Education and Training	Introduction of post-graduate educational programs with a focus on climate action aspects	*	*	*
	Training for CC modeling teams by international experts	*		
	CC training for line ministries staff	*	*	*
	CC training for LAU staff (on integrating adaptation in long term urban planning, or how to appropriately reflect climate-related data in national and local building codes and policies, etc.)	*	*	*
	M&E training for LAUs	*	*	*
	CC training for SEA and EIA evaluators	*	*	*

	Provide CC finance information and training to local and national banks		*	*
	Training for utilities operators on climate-sensitive design and operations		*	*
	Training energy efficiency experts and evaluators		*	*
	CC finance and planning training for CPs members or applicants		*	*
Awareness Actions	Awareness and IEC campaigns to support CC issues and to promote the sustainable development principle	*	*	*
	CC Best Practices sharing conferences for specific interest groups	*	*	*
	Provide information on the use of ICT to reduce GHG emissions in the public and private sector		*	*
	Provide CC Advisory services for farmers, young farmers, micro-enterprises and small enterprises in rural areas	*	*	*
Research	Fund research downscaling global climate models	*	*	*
	Restructure the research agenda according international developments (focus on mitigation, innovation of technologies and understanding adaptation needs)	*		
	Promotion of cross-sectoral and inter-disciplinary CC research	*	*	*
	Publicize and operationalize CC research through the CPN		*	*
	Facilitate CC partnerships between research entities and the private sector	*	*	*
	Facilitate the identification or filing of patents that help the private sector reduce GHG emissions		*	*
	Research into the use of ICT to reduce GHG emissions in the public and private sector	*	*	*
	Reinforce CC importance in SEA and EIA legislation	*		

CC Monitoring and Evaluation	Prepare a body of independent evaluators on CC M&E	*		
	M&E CC indicators for all relevant programs and projects	*	*	*
	Assign M&E responsibilities, with necessary resources, to the MEWF PPU	*		
	Ensure that aggregate M&E data is made available and used to inform policy decisions	*	*	*
Transparency	Adopt open data policies, and ensure that CC data and information on the policymaking process is distributed effectively and efficiently, including by making improved use of ICT	*	*	*
	Consult civil society and the CP in order when reviewing secrecy and transparency legislation or policies	*	*	*
	Maintain easily accessible archives of CC data and legislative changes	*	*	*

Annex 8. Compact tables of needed capacity building measures

The actions bellow will be essential to the successful implementation of the Strategy, though due to technical and timing issues they could not be included in the Action Plan. Below are the compact tables of needed administrative capacity measures, in the format used by the Action Plan.

Type of action	Objective 1: Consolidate Romania's integrated CC institutional framework	Estimated starting / and completion dates (year)	Responsible body	Result indicator/measure unit	Financing Source (EU/State budget/Other)	Estimated Amount (mil. €)	Net benefits (0 to 5)	Feasibility risks (0 to 5)
Legal / Institutional capacity	Strengthen the legal framework regarding the status of NCCC in order to increase its authority and effectiveness; Populate and grow the NCCC working groups	2016 - 2017	MEWF	Legislation improved	National Budget	0.2	2.7	2.4

Type of action	Objective 2: Improve the overall CC capacity of national authorities	Estimated starting / and completion dates (year)	Responsible body	Result indicator/measure unit	Financing Source (EU/State budget/Other)	Estimated Amount (mil. €)	Net benefits (0 to 5)	Feasibility risks (0 to 5)
Institutional Capacity	Strengthen the capacity of the MEWF CC unit: revise the structure and size of departments in accordance with CC responsibilities; Pay scale revisions and improved retention policies for CC staff within the MEWF	2016 - 2020	Government	Salary scale revised and implemented	State budget	1.4	2.3	1.8
Institutional capacity	Develop or strengthen CC units in line ministries, as per the Environmental Law and the 2009 Memorandum	2016 - 2020	Government	No of persons in charge with CC in each ministry	State budget	1.5	2.0	2.6
Institutional capacity	Provide training in order to raise the expertise levels of civil servants working on CC	2016 -2020	Local and central public administration	No of civil servants trained on CC and public policies	OPAC	0.2	2.3	2.6

Type of action	Objective 3: Raise the level of CC, transparency, knowledge and awareness	Estimated starting / and completion dates (year)	Responsible body	Result indicator/measure unit	Financing Source (EU/State budget/Other)	Estimated Amount (mil. €)	Net benefits (0 to 5)	Feasibility risks (0 to 5)
Institutional capacity	Support the Climate Partnership Network (CPN) to become a knowledge platform capable of efficiently publicizing public CC data and best practices and encourage private participation	2016-2020	MEWF and CPN	Online platform and surveys of CPN members on its effectiveness	OPAC State budget	1	3.3	2.6
Institutional capacity	Provide support for local authorities to join the Covenant of Mayors	2016-2020	Government and CPN	No. of LAUs who have joined and submitted a plan	State budget Swiss Cooperation Program	1.5	3.3	2.2