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#### COMMISSION STAFF WORKING DOCUMENT

# The EU Environmental Implementation Review 2019 Country Report - ROMANIA

#### Accompanying the document

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

Environmental Implementation Review 2019: A Europe that protects its citizens and enhances their quality of life

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# **Executive summary**

# Romania and the Environmental Implementation Review

In the 2017 EIR, the main challenges identified for Romania for the implementation of EU environmental policy and law were:

- to improve compliance with EU waste and urban waste water legislation in order to meet EU targets, as the final deadlines in Romania's Accession Treaty were drawing near; and
- to improve coordination and enhance the administrative capacity of the authorities and agencies involved in implementing EU legislation, in particular for water and waste management and the protection and management of Natura 2000 sites. This action is part of the broader strategy to strengthen public administration.

Romania organised an **EIR national dialogue** in July 2018 focusing on three main issues: waste, waste water and air quality, which are at present the most challenging issues. Also in July 2018, the **nature bilateral dialogue** took place.

In 2017 the Commission launched the TAIEX-EIR Peer-to-Peer (EIR P2P) tool to facilitate peer-to-peer learning between experts from national environmental authorities. The first P2P event took place on 22-24 January 2018 in Bucharest at the request of the Romanian Ministry of Environment, to seek expert advice on the issue of landfill closure and rehabilitation in order to address an ongoing infringement procedure.

# Progress on meeting challenges since the 2017 EIR

The 2019 EIR shows that waste management remains a key challenge for Romania, despite formal progress thanks to adoption of the national waste management plan in December 2017. Recycling and resource efficiency are still low if compared to the trend presented in the 2017 EIR. According to the Commission's 'Early Warning Report' (2018), Romania is considered at risk of non-compliance with the 2020 municipal waste recycling target of 50 %. The circular economy remains underdeveloped, although it has potential in this area, as confirmed by a conference on this subject in the country in 2017. Additional measures have to be adopted and fully implemented, while awareness of the circular economy needs to increase.

With regard to water quality, Romania still needs to improve its water policy in line with the Water Framework Directive. In addition, it is still struggling to implement the Urban Waste Water Treatment Directive and to improve the quantity and quality of drinking water. Given the very low compliance rates with the 2013 and 2015 intermediate deadlines set in the

Accession Treaty, the Commission decided to launch an infringement procedure. The final deadline for Romania to comply with the Urban Waste Water Treatment Directive is 31 December 2018 according to its Accession Treaty and the problem will most likely grow.

As far as **nature conservation** is concerned, implementing the Nature Directives remains a considerable challenge. Romania's Natura 2000 network appears to suffer from the lack of an appropriate administrative capacity framework and the absence of updated knowledge and data.

Poor air quality continues to be a problem in the country. The main sources of air pollution come from the transport and energy sectors, in particular fossil fuels/use of domestic solid fuel by households. Romania could make significant progress towards addressing the problem by: (i) restructuring the energy and domestic heating system (facilitating the integration of renewables, shifting to gas, district heating and pollution controls); (ii) traffic measures; and (iii) other pollution and prevention control measures. At the same time, serious and structural shortcomings have been identified in the air quality data measured by the Romanian monitoring network and reported to the European Commission. In fact, the situation could be much worse than actually reported.

The 2019 EIR shows that Romania continues to rely heavily on **EU funds and loan opportunities**. Nevertheless, there is a lack of administrative capacity and project preparation/maturation and prioritisation across environmental areas. This hinders the capacity of use of funds which are available and highly needed.

#### **Examples of good practice**

Several green infrastructure initiatives have taken shape. One good example is the LIFE project 'Connect Carpathians — Enhancing landscape connectivity for brown bear and wolf through a regional network of NATURA 2000 sites in Romania'. The project, which runs from September 2013 to February 2019, aims to enhance landscape connectivity within an ecological corridor located in western Romania. It consists of a network of Natura 2000 sites between the Apuseni Mountains and the southern Carpathians and is the only route through which flagship species such as bears and wolves can move between the two areas. Project activities include: (i) building up the capacity of and Natura responsible agencies 2000 administrators in landscape scale conservation; (ii) involving local stakeholders in connectivity management; (iii) securing land to develop linkage corridors; and (iv) managing corridors to create a carnivore-permeable landscape.

# Part I: Thematic Areas

# 1. Turning the EU into a circular, resource-efficient, green and competitive low-carbon economy

#### Measures towards a circular economy

The Circular Economy Action Plan emphasises the need to move towards a life-cycle-driven 'circular' economy, reusing resources as much as possible and bringing residual waste close to zero. This can be facilitated by developing and providing access to innovative financial instruments and funding for eco-innovation.

Following the adoption of the Circular Economy Action Plan in 2015 and the setting up of a related stakeholder platform in 2017, the European Commission adopted a new package of deliverables in January 2018<sup>1</sup>. This included additional initiatives such as: (i) an EU strategy for plastics; (ii) a Communication on how to address the interplay between chemical, product and waste legislation; (iii) a report on critical raw materials; and (iv) a framework to monitor progress towards a circular economy<sup>2</sup>.

The circular (secondary) use of material in Romania was 1.5 % in 2015, significantly below the EU-28 average of 11.7 % and down on previous years. As for the number of people employed in the circular economy, Romania ranks closer to the EU-28 average, at 1.54 % of total employment in 2016 (EU-28 average 1.73 %).

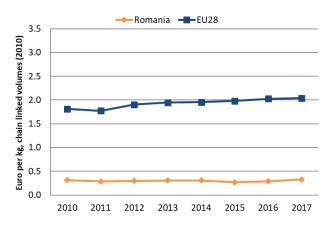
In the 2017 Special Eurobarometer on attitudes of EU citizens towards the environment, 79 % of Romanians said they were concerned about the effects of plastic products on the environment. This was the lowest proportion in the EU-28; the average is 87 %. In addition, 84 % said they were worried about the impact of chemicals (EU-28 average 90 %³). There appears to be support for circular economy initiatives and environmental protection actions in the Romanian society, although the extent of this support seems one of the lowest in the EU-28.

In Romania, resource efficiency remains at the same low level as presented in the first EIR report. The circular economy remains underdeveloped, although there is potential in this area, as confirmed by a conference on the subject in the country in autumn 2017. Overall

awareness of the circular economy needs to increase.

In 2017, Romania's 'resource productivity' ratio<sup>4</sup> (i.e. how efficiently the economy uses material resources to produce wealth) was the lowest in the EU, alongside Bulgaria and Estonia, at 0.33 EUR/kg (EU average: EUR 2.04 EUR/kg). This can be seen in Figure 1, which also shows that Romania's resource productivity has been relatively stable since 2010.

Figure 1: Resource productivity 2010-2017<sup>5</sup>



In December 2017, Romania adopted its national waste management plan (for more detail see the waste management section of this report).

The plan is investigating the possibility of introducing a methodology for the financing rules to implement the 'polluter pays' principle (Ecoteca, 2016). In addition, the government has proposed to introduce a subsidy for the recycling industry.

Romania increased the number of employees in its environmental goods and services sector from around 130 000 people in 2011 to around 155 000 in 2015<sup>6</sup>. Unfortunately, the country still does not use many support measures for resource efficiency. The most developed measures are either implemented through third-party organisations or inspired by EU-funded projects and focus on waste recovery and recycling.

Measuring a country's transition towards a more circular economy is a complex task. However, the number of EU

<sup>&</sup>lt;sup>1</sup> European Commission, <u>2018 Circular Economy Package</u>.

<sup>&</sup>lt;sup>2</sup> COM(2018) 029.

<sup>&</sup>lt;sup>3</sup> European Commission, 2017, <u>Special 486 Eurobarometer</u>, 'Attitudes of European citizens towards the environment'.

<sup>&</sup>lt;sup>4</sup> Resource productivity is defined as the ratio between gross domestic product (GDP) and domestic material consumption (DMC).

<sup>&</sup>lt;sup>5</sup> Eurostat, <u>Resource productivity.</u>

<sup>&</sup>lt;sup>6</sup> Eurostat, Employment in the environmental goods and services sector.

Ecolabel products and EMAS<sup>7</sup>-licensed organisations in a country can give a rough measurement of this transition. These two indicators show to what extent the transition to a circular economy is engaging the private sector and other national stakeholders. The two indicators also show the commitment of public authorities to policies that support the circular economy. As of September 2018, Romania had 24 products and 19 licences registered in the EU Ecolabel scheme out of 71 707 products and 2 167 licences in the EU, showing a low take-up of the scheme<sup>8</sup>. Some 11 organisations from Romania are currently registered in EMAS<sup>9</sup>.

#### SMEs and resource efficiency

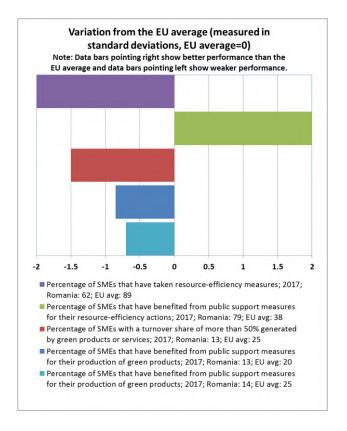
Romanian SMEs continue to score below the EU-28 average for the 'environment' component of the Small Business Act, as shown in Figure 2. The country scored particularly poorly for the share of SMEs taking resource efficiency measures, and for the number of SMEs with a turnover share of more than 50% generated by green products or services. However, the percentage of SMEs that have benefited from public support measures for their resource-efficiency actions has significantly increased.

The latest Eurobarometer on 'SMEs, resource efficiency and green markets' asked companies about both recent resource efficiency actions they had taken and additional resource efficiency actions they planned to take in the next 2 years. The Eurobarometer then compared these responses with responses given to the same questions in 2015. The proportion of Romanian companies that undertook resource efficiency actions is in all areas far below the EU-28 average and even lower than in 2015.

Only 3 % of Romanian companies relied on external support in their efforts to be more resource efficient. The EU average is 22 %, in a range from 3 % to 38 %.

If the Romanian business community, including SMEs, is to realise the opportunities from a circular economy, it needs to be made aware of the fundamental role of resource efficiency. Future policies and programmes may aim both to support eco-innovators and to increase resource efficiency in the general economy. An effective way forward would be to focus on the most interested companies and take a 'value chain' approach that could in turn create significant spillovers into the wider society.

Figure 2: Environmental performance of SMEs<sup>10</sup>



#### **Eco-innovation**

Romania ranked 28th on the 2018 European Innovation Scoreboard, with its score falling 14 percentage points since 2010<sup>11</sup>. On the Eco-Innovation Scoreboard, Romania ranks 23rd with a score of 65 (see Figure 3). Romania is well below the overall EU-28 average score and is in the category of countries catching-up on eco-innovation.

As shown in Figure 4, Romania has continuously recorded a below-average performance in eco-innovation since 2010.

Romania's regulatory, policy and financial framework seems to be one of the largest barriers companies experience when introducing eco-innovation activities and improvements.

Most Romanian companies have low environmental awareness. They are mainly driven by the need to comply with regulation in their environmental practices and are generally driven by cost considerations in their choices. Nevertheless, there are signs that companies are increasingly auditing their waste management practices internally, trying to find ways to improve waste management, and this is improving their environmental awareness. Several large companies also have started to invest in infrastructure for recycling and collecting used products, trying to capture this business opportunity.

<sup>&</sup>lt;sup>7</sup> EMAS is the European Commission's Eco-Management and Audit Scheme – a programme to encourage organisations to behave in a more environmentally sustainable way

<sup>&</sup>lt;sup>8</sup> European Commission, Ecolabel Facts and Figures.

<sup>&</sup>lt;sup>9</sup> As of May 2018. European Commission, <u>Eco-Management and Audit Scheme</u>.

<sup>&</sup>lt;sup>10</sup> European Commission, <u>2018 SBA fact sheet -</u> Romania, p.15.

<sup>&</sup>lt;sup>11</sup> European Commission, <u>European Innovation Scoreboard 2018</u>, p. 72.

Figure 3: 2017 Eco-innovation index (EU=100)12

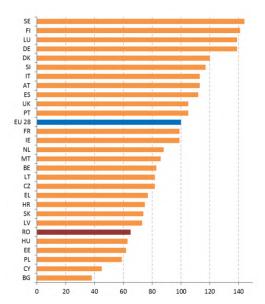
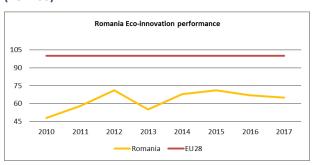


Figure 4: Romania's eco-Innovation performance (EU=100)<sup>13</sup>



Furthermore, companies in Romania are becoming keener to invest in resource efficiency measures. Approximately 30 % of companies have implemented energy-saving measures (33 % specifically) and wasteminimising measures (31 % of companies), which is half the average EU figure. In the country, 59 % of companies invest nothing or less than 1 % of annual turnover in becoming more resource efficient, which is slightly more than the EU as a whole (51 %), while 5 % of companies invest more than 5 % of turnover in such measures, a markedly higher percentage than in the EU as whole, for which the figure is 1 %<sup>14</sup>.

#### 2019 priority action

- Ensure that Romania's policy orientation has a strategic long-term view and an integrated approach for mainstreaming sustainable development and circular economy thinking and eco-innovation across the government's policies;
- Increase support of and promotion of resource efficiency measures by SMEs, in particular by investing further in education and training. Export capacity of SMEs can be increased by improved resource efficiency.

### **Waste management**

Turning waste into a resource is supported by:

- (i) fully implementing EU waste legislation, which includes the waste hierarchy, the need to ensure separate collection of waste, the landfill diversion targets, etc.;
- (ii) reducing waste generation and waste generation per capita in absolute terms; and
- (iii) limiting energy recovery to non-recyclable materials and phasing out landfilling of recyclable or recoverable waste.

This section focuses on management of municipal waste<sup>15</sup> for which EU law sets mandatory recycling targets<sup>16</sup>.

Waste management remains a key challenge for Romania. The country's performance continues to be characterised by very low recycling of municipal waste (14 %, including 7 % material recycling and 7 % composting) and very high landfilling rates. This is contrary to the waste hierarchy and comes in spite of the recycling targets set at EU level. Moreover, recycling rates have been stagnating since 2013, while the incineration rate has increased slightly to 4 %. The landfill rate reported by Romania to the European Commission in 2017 was 70 %. However, the figure does not include the temporary storage prior to disposal, which, if added, would increase this rate further.

In 2017, the municipal waste generation per capita in Romania was 272 kg, a 18 kg increase from 2013 but still considerably below the EU average of around 487 kg<sup>17</sup>.

<sup>&</sup>lt;sup>12</sup> Eco-innovation Observatory: Eco-Innovation scoreboard 2017.

<sup>&</sup>lt;sup>13</sup> European Commission, <u>The Eco-Innovation Scoreboard and the Eco-</u>Innovation Index.

<sup>&</sup>lt;sup>14</sup> European Commission, Eco-Innovation Observatory, Country profile 2016-2017: Romania

<sup>&</sup>lt;sup>15</sup> Municipal waste consists of mixed waste and separately collected waste from households and from other sources, where such waste is similar in nature and composition to waste from households. This is without prejudice to the allocation of responsibilities for waste management between public and private sectors.

<sup>&</sup>lt;sup>16</sup> See Article 11.2 of <u>Directive 2008/98/EC</u>. This Directive was amended in 2018 by <u>Directive (EU) 2018/851</u>, and more ambitious recycling targets were introduced for the period up to 2035.

<sup>&</sup>lt;sup>17</sup> Eurostat, <u>Municipal waste and treatment</u>, by type of treatment method, accessed May 2018.

Figure 5 depicts the municipal waste<sup>18</sup> by treatment in kg per capita. It is clear that Romania will have to put big efforts into increasing recycling and reducing landfilling.

Figure 5: Municipal waste by treatment in Romania 2010-2017<sup>19</sup>

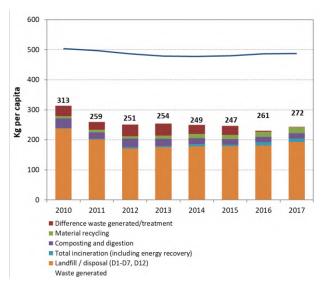
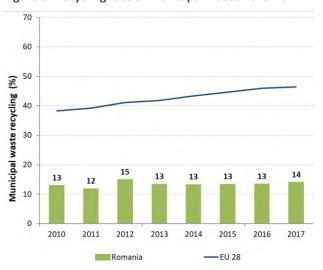


Figure 6 shows that Romania must invest heavily in recycling in the next few years to reach the 2020 recycling target<sup>20</sup>.

Figure 6: Recycling rate of municipal waste 2010-2017<sup>21</sup>



2017 saw the end of Romania's transition period granted through the Accession Treaty for the implementation of

the Landfill Directive. Romania will have to close and also rehabilitate 101 non-compliant landfills as required by Article 13 of Directive 1999/31/EC. Considering the high proportion of waste being landfilled, the country could be faced with a serious landfill capacity problem and could also be infringing the waste legislation. For biodegradable municipal waste, Romania took up the option to postpone by 4 years the attainment of its 2016 35 % landfill target. Romania also missed the 2013 and 2014 packaging recycling targets, although it did so by a small margin. Data on glass packaging recycling have not been reported for 2015, but in 2014 Romania was below the required level.

In December 2017, following a significant delay, Romania adopted its long-awaited national waste management plan and waste prevention programme, both of which are valid until 2025. The adoption of these strategic documents is however not accompanied by relevant investment efforts. The waste management plans at county level are currently under preparation.

The national plan sets out a strategy to increase recycling rates and comply with the landfill diversion targets for biodegradable waste. It focuses on the roll-out of separate collection, including for biodegradable waste, and plans for infrastructure to treat it via composting or anaerobic digestion. It also proposes to significantly extend the network of mechanical-biological treatment plants so that there will be one per county, which sounds excessive. The plants should be convertible so that they can also treat separately collected waste once the production of residual waste decreases.

In addition, there is a plan to build the first dedicated municipal waste incinerator with energy recovery in Bucharest as a core part of an integrated waste management project for the capital and possibly for Ilfov county. The development of the project has stalled at the planning phase. The closure of all non-compliant landfills is planned for 2020.

The plan also proposes a set of policy instruments to help deliver on its main objectives. These instruments include: (i) belated implementation of the landfill tax; (ii) introduction of pay-as-you-throw schemes; (iii) improvements to the efficiency of the extended producer responsibility (EPR) schemes; and (iv) improvements in reporting schemes. While the objectives are clear and the list of measures is set out, it is all down to effective and urgent implementation and enforcement of these instruments.

The current situation in Romania is characterised by:

- a still not stabilised legal framework (e. g. a number of implementing acts still missing such as county waste management plans);
- the absence of relevant instruments to divert waste

<sup>&</sup>lt;sup>18</sup> Municipal waste consists of waste collected by or on behalf of municipal authorities, or directly by the private sector (business or private non-profit institutions) not on behalf of municipalities.

<sup>19</sup> Eurostat, Municipal waste by waste operations ₂ accessed April 2018.

<sup>20</sup> Directive (EU) 2018/851, Directive (EU) 2018/852, Directive (EU) 2018/850 and Directive (EU) 2018/849 amend the previous waste legislation and set more ambitious recycling targets for the period up to 2035. These targets will be taken into consideration to assess progress in future Environmental Implementation Reports.

<sup>&</sup>lt;sup>21</sup> Eurostat, <u>Recycling rate of municipal waste</u>, accessed May 2018.

from landfills, including a landfill tax, and no comprehensive and decisive enforcement action against illegal landfilling;

- incomplete or non-functional projects to establish integrated waste management systems supporting activity at the top of the waste hierarchy;
- a big number of substandard landfills not meeting the legal requirements of waste legislation;
- minimal infrastructure for separate collection of recycling from domestic sources, with all current infrastructure based around the 'bring to site' approach;
- the absence of a clearinghouse overseeing EPR schemes for packaging, checking that recycling and recovery requirements are met and checking producer compliance (identifying free riders);
- no known bio-waste collection other than small tonnages likely to be from municipal parks and gardens.

In its 'Early Warning Report'<sup>22</sup>, the Commission listed Romania among the Member States at risk of missing the 2020 municipal waste recycling target. Country-specific recommendations were proposed for Romania to help bridge the implementation gap. These are also consistent with a roadmap<sup>23</sup> drawn up in 2013 in the context of the Commission's compliance promotion exercise. The roadmap has largely not been implemented.

The EU funds have been used for construction of compliant landfills and for introduction of separate collection and management of municipal waste on a county level. 35 out of 41 counties have benefited from these projects formulated at the time of Romania's accession to the EU. The majority of them comes to completion in 2018-2019, therefore a considerable number of new plants have recently been put into operation.

Notwithstanding, the use of dedicated EU funds to improve waste management continues to be extremely low. This is mainly due to: (i) final beneficiaries' lack of capacity to prepare and implement large investment projects; (ii) a lack of buy-in/ownership; and (iii) the excessive length of tender procedures.

The key priority actions laid down in 2018 in the Commission's 'Early Warning Report' are as follows:

 Urgently improve the EPR schemes via a clearinghouse, greater transparency and auditing,

- and ensuring that financial contributions cover the cost of separate collection;
- Develop service standards required for local public authority collection services, including a mechanism to penalise public local authorities who fail to implement the required collection services, and a further mechanism for fining local public authorities who fail to meet recycling targets;
- Apply a landfill tax as soon as possible to discourage disposal. Channel the revenues from such a tax towards measures to improve waste management in line with the waste hierarchy. This would avoid building excessive infrastructure to treat residual waste, e.g. MBT facilities;
- Organise technical and operational support via a nationwide capacity-building programme for local authorities to support the roll-out of separate collection.

On top of the priority actions set out for the shorter term, it is also very clear that even more effort will be needed to ensure compliance with the recycling targets in the post-2020 period.

#### 2019 priority actions

- Adopt and implement a work programme for waste to be overseen by a steering committee/interministerial body that would better coordinate actions and provide the political buy-in that is currently missing;
- Urgently implement a landfill tax and gradually increase it to divert recyclable waste from landfills;
- Ensure the closure and rehabilitation of substandard landfills;
- Improve and extend separate collection of waste, including for bio-waste. Establish minimum service standards for separate collection (e.g. frequency of collections, types of containers etc.) in municipalities to ensure high capture rates of recyclable waste. Use the economic instruments, e.g. pay-as-you-throw, and set mandatory recycling targets for municipalities, accompanied by penalties for noncompliance (e.g. fines).
- Develop and run implementation programmes for municipalities to help support efforts to organise separate collection and improve recycling performance.
- Improve the functioning of Extended Producer Responsibility (EPR) systems, in line with the general minimum requirements on EPR<sup>24</sup>.

<sup>&</sup>lt;sup>22</sup> European Commission, Report on the implementation of waste legislation, including the early warning report for Member States at risk of missing the 2020 preparation for re-use/recycling target on municipal waste, <a href="https://swww.sww.gwb.usen.com/sww.

<sup>&</sup>lt;sup>23</sup> BiPRO, 2013. Support to Member States in improving waste management based on assessment of Member States' performance. Study for the European Commission, p. 47.

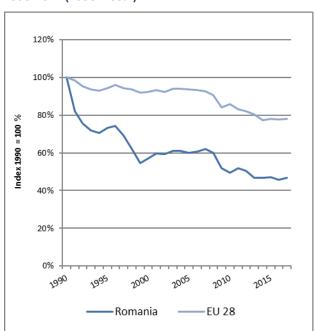
<sup>&</sup>lt;sup>24</sup> Set out in <u>Directive (EU) 2018/851</u> amending Directive 2008/98/EC.

## Climate change

The EU has committed to undertaking ambitious climate action internationally as well as in the EU, having ratified the Paris Climate Agreement on 5 October 2016. The EU targets are to reduce greenhouse gas (GHG) emissions by 20 % by 2020 and by at least 40 % by 2030, compared to 1990. As a long-term target, the EU aims to reduce its emissions by 80-95 % by 2050, as part of the efforts required by developed countries as a group. Adapting to the adverse effects of climate change is vital to alleviate its already visible effects and improve preparedness for and resilience to future impacts.

The EU emissions trading system (EU ETS) covers all large greenhouse gas emitters in the industry, power and aviation sectors in the EU. The EU ETS applies in all Member States and has a very high compliance rate. Each year, installations cover around 99 % of their emissions with the required number of allowances.

Figure 7: Change in total greenhouse gas emissions 1990-2017 (1990=100%)<sup>25</sup>.



For emissions not covered by the EU ETS, Member States have binding national targets under the Effort Sharing legislation. Romania had lower emissions than its annual targets in each of the years 2013-2017. For 2020, Romania's national target under the EU Effort Sharing

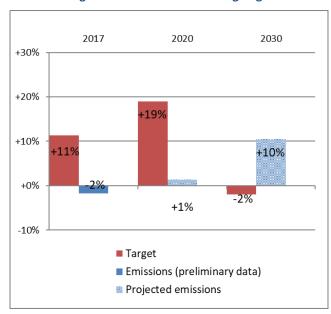
Annual European Union greenhouse gas inventory 1990–2016 (EEA greenhouse gas data viewer). Proxy GHG emission estimates for 2017Approximated EU greenhouse gas inventory 2017 (European Environment Agency). Member States national projections, reviewed by the European Environment Agency.

Decision is to avoid increasing emissions by more than 19 % compared to 2005. For 2030, Romania's national target under the Effort Sharing Regulation will be to reduce emissions by 2 % compared to 2005.

Romania has a 2016-2030 National Climate Change and low carbon growth Strategy complemented with a 2016-2020 National Action Plan for the implementation of the strategy. Both documents have been adopted by the government in 2016. The strategy is drawing a roadmap for 2050.

The EU Strategy on adaptation to climate change, adopted in 2013, aims to make Europe more climate-resilient, by promoting action by Member States, better-informed decision making, and promoting adaptation in key vulnerable sectors. By adopting a coherent approach and providing for improved coordination, it seeks to enhance the preparedness and capacity of all governance levels to respond to the impacts of climate change.

Figure 8: Targets and emissions for Romania under the Effort Sharing Decision and Effort Sharing Regulation<sup>26</sup>.



Transport represents almost a quarter of the EU's GHG emissions and is the main cause of air pollution in cities. Transport emissions in Romania increased by 12 % from 2013 to 2016.

The F-gas Regulation requires Member States to run training and certification programmes, introduce rules for penalties and notify these measures to the Commission by 2017. Romania has notified both measures.

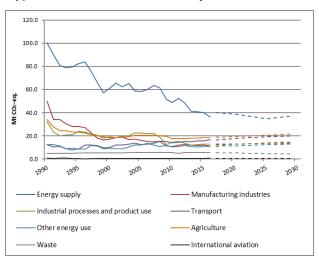
The accounting of GHG emissions and removals from forests and agriculture is governed by the Kyoto Protocol.

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<sup>&</sup>lt;sup>26</sup> Proxy GHG emission estimates for 2017Approximated EU greenhouse gas inventory 2017 (European Environment Agency). Member States national projections, reviewed by the European Environment Agency.

Preliminary accounting for 2013-2016 shows net credits of, on average, -0.03 Mt  $CO_2$ -eq, which corresponds to 0.03% of the EU-28 accounted sink of -115.7 Mt  $CO_2$ -eq.

Figure 9: Greenhouse gas emissions by sector (Mt. CO2-eq.). Historical data 1990-2016. Projections 2017-2030<sup>27</sup>.



The National climate change and low carbon growth strategy and the associated action plan come each of them with distinct adaptation components. The sectors covered are: agriculture and rural development, water resources, infrastructure and urban planning, transport, industry, energy, tourism, forestry, biodiversity, education and public awareness, insurance, public health and emergency response services. Reports on the implementation of the NAS/NAP have so far not been published. Apart from the regular implementation progress report on the action plan, which is to be provided according to the strategic environmental assessment permit, no specific monitoring framework has been provisioned. 14 Romanian cities signed up for the more ambitious 2030 Covenant of Mayors, for objectives covering both mitigation and adaptation.

The total revenues from the auctioning of emission allowances under the EU ETS over the years 2013-2017 were EUR 871 million. 55 % of the auctioning revenues have been spent on climate and energy purposes. Revenues were used to reduce transport emissions (expanding the subway network, bicycle tracks, acquiring buses for school and sports, modifying LPG diesel cars and woodlands).

#### 2019 priority action

In this report, no priority actions have been included on climate action, as the Commission will first need to assess

the draft national energy and climate plans which the Member States needed to send by end of 2018. These plans should increase the consistency between energy and climate policies and could therefore become a good example of how to link sector-specific policies on other interlinked themes such as agriculture-nature-water and transport – air - health.

<sup>&</sup>lt;sup>27</sup> Annual European Union greenhouse gas inventory 1990–2016 (<u>EEA greenhouse gas data viewer</u>). Proxy GHG emission estimates for 2017Approximated EU greenhouse gas inventory 2017 (European Environment Agency). Member States national projections, reviewed by the European Environment Agency.

# 2. Protecting, conserving and enhancing natural capital

### **Nature and biodiversity**

The EU biodiversity strategy aims to halt the loss of biodiversity in the EU by 2020. It requires full implementation of the Birds and Habitats Directives to achieve favourable conservation status of protected species and habitats. It also requires that the agricultural and forest sectors help to maintain and improve biodiversity.

#### Setting up a coherent network of Natura 2000 sites

The Birds and Habitats Directives require Member States to establish a coherent national network of Natura 2000 sites. The Commission assesses compliance with this requirement individually for each species and habitat type occurring on the national territory of the Member States. The latest update of this assessment was carried out by the Commission with the assistance of the European Environment Agency. On the basis of this latest update, the EU's terrestrial Natura 2000 network is now considered completed.



By early 2018, Natura 2000 sites covered 22.7 % of Romania's national land area (EU average 18.1 %). Special protection areas (SPAs) designated under the Birds Directive covered 15.3 % (EU average 12.4 %) and sites of community interest (SCIs) designated under the Habitats Directive covered 16.9 % (EU average 13.9 %). There were 606 Natura 2000 sites in Romania, including 9 marine sites. The terrestrial sites consisted of 171 SPAs and 435 SCIs while 1 SPA and 8 SCIs composed the marine sites. Romania's Natura 2000 network encompasses five of the nine biogeographical regions of the EU. The 2015 assessment of the SCI part of the Natura 2000 network showed that there were

insufficiencies in designation<sup>28</sup>. The sufficiency assessment of the network with the sites designated in 2016 is currently ongoing.

# Designating Natura 2000 sites and setting conservation objectives and measures

Implementing the Nature Directives is a considerable challenge for the country. The Romanian administration of Natura 2000 appears to struggle with a lack of administrative capacity and coordination and there are also problems due to a lack of knowledge and data. In 2016, a new authority, the National Agency for Protected Natural Areas (Agenția Națională pentru Arii Naturale was established to coordinate Proteiate), management of protected areas, including Natura 2000 sites. In 2018, through an Emergency Governmental Ordinance<sup>29</sup>, the government decided to transfer the responsibility for management of the majority of Natura 2000 sites to the agency. This arrangement replaced the previous system of Natura 2000 sites in the custody of NGOs, state-owned companies, private companies, universities and research organisations. 234 sites were originally assigned to one of these entities. This change of responsibilities brought uncertainty about the project proposals submitted for financing from EU funds<sup>30</sup> by the previous custodians and administrators.

The implementation of Natura 2000 goals is further affected by a lack of spatial planning.

So far, Romania has not designated any SCIs as special areas of conservation (SACs) and has therefore exceeded the six-year deadline under the Habitats Directive. Informal dialogue is ongoing between Romania and the Commission on this issue.

Romania has made progress on preparing Natura 2000 site management plans. By now, the sites with adopted management plans are: 211 SCIs (48,5 % of sites) and 81 for SPAs (47 % of sites). However, the Ministry of

<sup>&</sup>lt;sup>28</sup> For each Member State, the Commission assesses whether the species and habitat types on Annexes I and II of the Habitats Directive, are sufficiently represented by the sites designated to date. This is expressed as a percentage of species and habitats for which further areas need to be designated in order to complete the network in that country. A scientific reserve is given when further research is needed to identify the most appropriate sites to be added for a species or habitat. The current data, which were assessed in 2014-2015, reflect the situation up until December 2013.

<sup>&</sup>lt;sup>29</sup> Ordonanţa de urgenţă nr. 75/2018 pentru modificarea şi completarea unor acte normative în domeniul protecţiei mediului şi al regimului străinilor of 19 July 2018

<sup>&</sup>lt;sup>30</sup> PA 4 of the Large Infrastructure OP.

Environment does not have access to the forest management plans held by the Ministry of Waters and Forests, which is primordial for the development of Natura 2000 management plans.

The country has the largest area of surviving primeval forest in the EU. A national catalogue currently being prepared already includes 21 091.5 ha<sup>31</sup> hectares, but the total area may be several times as much.

The media have been reporting repeatedly about significant illegal logging in the country. In particular, it was brought into Commission's attention several instances of logging in Natura 2000 sites which do not appear to respect the Habitats Directive. In their discussions with the Commission, the authorities reported boosting efforts to combat illegal logging, including improved inspection capacity, the use of new monitoring technologies and a stricter legal framework. The Integrated Information System for Wood Tracking (SUMAL) has been improved by enabling the public to report to the emergency number 112 any vehicles suspected to be loaded with wood material of illegal origin. However, there are still big challenges over the actual implementation of these measures and enforcement, including by dissuasive penalties.

# Progress in maintaining or restoring favourable conservation status of species and habitats

Considering that Member States report every 6 years on the progress made under both directives, no new information is available on the state of natural habitats and species, or on progress made in improving the conservation status of species and habitats in Romania, as compared to the 2017 EIR Romanian Country Report.

#### 2019 priority actions

- Move towards the completion of the Natura 2000 designation process and put in place clearly defined conservation objectives and the necessary conservation measures for the sites, and provide adequate resources for their implementation in order to maintain/restore species and habitats of community interest to a favourable conservation status across their natural range;
- Strengthen the administrative capacity to improve the designation and management of protected sites. Strengthen communication with stakeholders;
- Address the organisation/coordination issues of Natura 2000 financing and speed up the implementation of projects;
- Strengthen communication with stakeholders;
- Enhance efforts to collect reliable data on the conservation status of protected habitats and
- <sup>31</sup>Romanian Ministry of Waters and Forests, <u>national catalogue</u>

- species as well as their occurrence at site level and to improve the quality of the reported data and the permitting procedures;
- Enhance the collaboration between the Ministry of Environment and Ministry of Waters and Forests with regard to the coordination between, on the one hand, the conservation of Natura 2000 sites and on the other hand, the forestry activities, including illegal logging. Therefore, Romanian authorities should increase coordination and coherence between Natura 2000 and forest management plans;
- The Ministry of Waters and Forests should make available forest management plans to the Ministry of Environment to support the development of Natura 2000 management plans.

# Maintaining and restoring ecosystems and their services

The EU biodiversity strategy aims to maintain and restore ecosystems and their services by including green infrastructure in spatial planning and restoring at least 15 % of degraded ecosystems by 2020. The EU green infrastructure strategy promotes the incorporation of green infrastructure into related plans and programmes.

The EU has provided guidance on the further deployment of green and blue infrastructure in Romania<sup>32</sup> and a country page on the Biodiversity Information System for Europe (BISE)<sup>33</sup>. This information will also contribute to the final evaluation of the EU Biodiversity Strategy to 2020

Romania has a range of policies and strategies in place to develop and improve green infrastructure. For example, its 2014-2020 national biodiversity strategy and action plan implicitly address green infrastructure, while its 2035 territorial development strategy contains specific measures on green infrastructure such as developing green space in urban areas and green belts around large cities. However, the extent of implementation is unclear. Connectivity through green infrastructure is also a priority action under the European strategy for the Danube Region. Finally, the Carpathian Convention contains several objectives on green infrastructure.

On the incorporation of green infrastructure principles into policy-making, these have been included in sector-specific policies. The principles for sustainable forest management also promote green infrastructure practices but information is lacking on the state of

<sup>&</sup>lt;sup>32</sup> European Commission, The <u>recommendations of the green</u> <u>infrastructure strategy review report</u> and the <u>EU Guidance on a strategic framework for further supporting the deployment of EU-level green and blue infrastructure</u>.

<sup>&</sup>lt;sup>33</sup> <u>Biodiversity Information System for Europe.</u>

implementation. In agriculture, Romania's rural development plan contributed to protecting high nature value farmland. 1.2 million ha out of 2.4 million ha of high nature value grassland in Romania were protected by granting financial compensation to farmers applying management requirements.

Given that the green infrastructure approach in Romania is closely linked to protected areas, one of the main obstacles to its full uptake is the delayed preparation and approval of management plans and rules, which is due to the long and difficult approval process. Other obstacles include: (i) complex decision making process; (ii) lack of administrative capacity in the ministry in charge of this area; (iii) lack of resources for assessing the plans; (iv) the poor quality of some of the plans; and (v) the fact that restrictive measures in the plans require compensation for land owners. The use of technical assistance could help to spur the uptake of green infrastructure.



Romania is encouraged to: (i) continue its efforts in deploying green and blue infrastructure and incorporating it in other policies consistent with the MAES framework; (ii) consider the recommendations of the green infrastructure strategy review report; and (iii) make full use of the EU guidance on a strategic framework for further supporting the deployment of EU-level green and blue infrastructure<sup>34</sup>. It is also invited to provide regular updates on green infrastructure-related developments via its country page on BISE. This information will also contribute to the final evaluation of the EU biodiversity strategy to 2020 to be communicated to the Council and Parliament in 2020.

Romania's reporting to the Convention on Biological Diversity on resource mobilisation is still pending. Reporting on financial flows is important for the position of the EU and individual Member States in the CBD and helps encourage good practices among other countries.

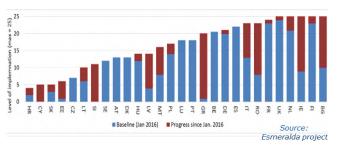
#### **Estimating natural capital**

The EU biodiversity strategy calls on Member States to map and assess the state of ecosystems and their services <sup>35</sup> in their national territories by 2014, assess the economic value of such services and integrate these values into accounting and reporting systems at EU and national level by 2020.

Romania made substantial progress in 2016 and 2017 but has not provided any new information since 2015 on its work to map and assess ecosystems and their services on the MAES webpage on the BISE platform<sup>36</sup>.

At the MAES working group meeting held in Brussels in September 2018, it was shown that Romania has made substantial progress in implementing MAES since January 2016 (Figure 10). This assessment was made by the ESMERALDA project<sup>37</sup> and based on 27 implementation questions. The assessment is updated every 6 months.

Figure 10: Implementation of MAES (September 2018)



Business and biodiversity platforms, networks and communities of practice are key tools for promoting and facilitating natural capital assessments among business and financial service providers, for instance via the Natural Capital Coalition's protocol<sup>38</sup>. The assessments contribute to the EU biodiversity strategy by helping private businesses to better understand and value both their impact and dependence on nature. Biodiversity platforms have been established at EU level<sup>39</sup> and in a number of Member States.

Romania has not yet established such a platform.

<sup>&</sup>lt;sup>34</sup> European Commission, The <u>recommendations of the green</u> <u>infrastructure strategy review report</u> and the <u>EU Guidance on a strategic framework for further supporting the deployment of EU-level green and blue infrastructure.</u>

<sup>&</sup>lt;sup>35</sup> Ecosystem services are benefits provided by nature such as food, clean water and pollination on which human society depends.

<sup>&</sup>lt;sup>36</sup> Biodiversity Information System for Europe, MAES country fiches, Romania

<sup>&</sup>lt;sup>37</sup> EU project, Esmeralda

<sup>&</sup>lt;sup>38</sup> Natural Capital Coalition, <u>Natural Capital Protocol</u>

<sup>&</sup>lt;sup>39</sup> Business and Biodiversity, <u>The European Business and Biodiversity</u> <u>Campaign</u> aims to promote the business case for biodiversity in the EU Member States through workshops, seminars and a cross media communication strategy.

# Invasive alien species

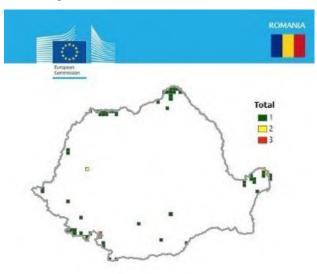
Under the EU biodiversity strategy, the following are to be achieved by 2020:

- (i) invasive alien species identified;
- (ii) priority species controlled or eradicated; and
- (iii) pathways managed to prevent new invasive species from disrupting European biodiversity.

This is supported by the Invasive Alien Species (IAS) Regulation, which entered into force on 1 January 2015.

The report on the baseline distribution (see Figure 11), for which Romania did not review its country data or grid-level data, shows that of the 37 species on the first EU list, 10 have been observed in the environment in Romania, but none of them are widely spread. According to the data, Romania appears to be less affected than its neighbouring countries, but this could indicate that the data are poorer due to listed species not being under surveillance before the EU list was adopted.

Figure 11: Number of IAS of EU concern, based on available georeferenced information for Romania<sup>40</sup>



Between the entry into force of the EU list and 18 May 2018, Romania has not notified any new appearances of IAS of Union concern, as provided for in Article 16(2) of the IAS Regulation.

As according to the baseline distribution, coypu (*Myocastor coypu*) still seems in an early invasion stage, Romania is advised to attempt to eradicate this species, as by doing so it would avoid considerable long-term management costs.

With regard to the IAS Regulation, Romania has notified the Commission of its competent authorities responsible for implementation (Article 24(2)). It has communicated to the Commission the national provisions on penalties applicable to infringements (Article 30(4)) and has therefore fulfilled its notification obligations in this regard.

#### 2019 priority action

 Investigate the apparent lack of data and seek ways of improving its surveillance system.

# **Soil protection**

The EU soil thematic strategy underlines the need to ensure a sustainable use of soils. This entails preventing further soil degradation and preserving its functions, as well as restoring degraded soils. The 2011 Roadmap to a Resource Efficient Europe states that by 2020, EU policies must take into account their direct and indirect impact on land use.

Soil is an extremely fragile finite resource and it is increasingly degrading in the EU.

Artificial land cover is used for settlements, production systems and infrastructure. It may itself be split between built-up areas (buildings) and non-built-up areas (such as linear transport networks and associated areas).

The percentage of artificial land<sup>41</sup> in Romania (see Figure 12) can show the relative pressure on nature and biodiversity, as well as the environmental pressure on people living in urbanised areas. A similar measure is population density.

Romania is below the EU average for artificial land coverage (2.1 % vs 4.1 %). The population density is  $84.1/km^2$ , which is also below the EU average of  $118^{42}$ .

Contamination can severely reduce soil quality and threaten human health or the environment. A recent report of the European Commission<sup>43</sup> estimated that potentially polluting activities have taken or are still taking place on approximately 2.8 million sites in the EU. At EU level, 650 000 of these sites have been registered in national or regional inventories. 65 500 contaminated sites already have been remediated. Romania has

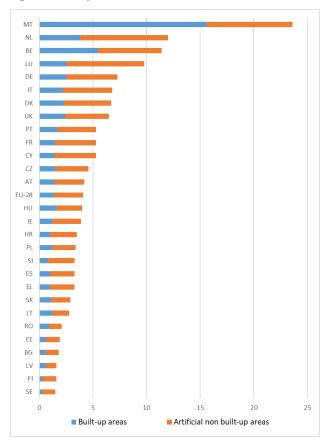
<sup>&</sup>lt;sup>40</sup> Tsiamis K; Gervasini E; Deriu I; D'amico F; Nunes A; Addamo A; De Jesus Cardoso A. <u>Baseline Distribution of Invasive Alien Species of Union concern. Ispra (Italy): Publications Office of the European Union;</u> 2017, EUR 28596 EN, doi:10.2760/772692.

<sup>&</sup>lt;sup>41</sup> Artificial land cover is defined as the total of roofed built-up areas (including buildings and greenhouses), artificial non built-up areas (including sealed area features, such as yards, farmyards, cemeteries, car parking areas etc. and linear features, such as streets, roads, railways, runways, bridges) and other artificial areas (including bridges and viaducts, mobile homes, solar panels, power plants, electrical substations, pipelines, water sewage plants, and open dump sites).

 <sup>&</sup>lt;sup>42</sup> Eurostat, <u>Population density by NUTS 3 region</u>.
 <sup>43</sup> Ana Paya Perez, Natalia Rodriguez Eugenio (2018), Status of local soil contamination in Europe: Revision of the indicator "Progress in the management Contaminated Sites in Europe"

registered 210 sites where potentially polluting activities have taken or are taking place.

Figure 12: Proportion of artificial land cover, 2015 44



Soil erosion by water is a natural process, but this natural process can be aggravated by climate change and human activities such as inappropriate agricultural practices, deforestation, forest fires or construction works. High levels of soil erosion can reduce productivity in agriculture and can have negative and transboundary impacts on biodiversity and ecosystem services. High levels of soil erosion can also have negative and transboundary effects on rivers and lakes (due to and transport increased sediment volumes contaminants). According to the RUSLE2015 model<sup>45</sup>, Romania has an average soil loss rate by water of 2.84 tonnes per hectare per year (t ha<sup>-a</sup> yr<sup>-y</sup>), compared to the EU mean of 2.46 t ha<sup>-a</sup> yr<sup>-y</sup>. This indicates that soil erosion is medium on average. Note that these figures are the output of an EU-level model and therefore cannot be considered as locally measured values. The actual soil loss rate can vary strongly within the Member State depending on local conditions.

Soil organic matter plays an important role in the carbon cycle and in climate change. Soils are the second largest carbon sink in the world after the oceans.

#### **Marine protection**

EU coastal and marine policy and legislation require that by 2020 the impact of pressures on marine waters be reduced to achieve or maintain good environmental status (GES) and ensure that coastal zones are managed sustainably.

The Marine Strategy Framework Directive (MSFD)<sup>46</sup> aims to achieve good environmental status of the EU's marine waters by 2020. To that end, Member States must develop a marine strategy for their marine waters, and cooperate with the EU countries that share the same marine (sub)region.

The Convention on the Protection of the Black Sea against Pollution (Bucharest Convention) contributes to achieving Romania's marine strategy goals required by the Marine Strategy Framework Directive. The marine strategies comprise different steps to be taken over six-year cycles. The latest step required Member States to set up and report their programme of measures to the Commission. This was due by 31 March 2016.

The Commission has not been able to assess whether Romanian measures were appropriate to reach good environmental status<sup>47</sup>. This was because Romania reported its measures too late for the Commission to include them in this assessment<sup>48</sup>.

# 2019 priority action

 Ensure timely reporting of the different elements under the Marine Strategy Framework Directive so that Romania can be part of future Commission's assessments.

<sup>&</sup>lt;sup>44</sup> Eurostat, Land covered by artificial surfaces by NUTS 2 regions.

<sup>&</sup>lt;sup>45</sup> Panagos, P., Borrelli, P., Poesen, J., Ballabio, C., Lugato, E., Meusburger, K., Montanarella, L., Alewell, C., The new assessment of soil loss by water erosion in Europe, (2015) Environmental Science and Policy, 54, pp. 438-447.

<sup>&</sup>lt;sup>46</sup> European Union, Marine Strategy Framework Directive 2008/56/EC

<sup>&</sup>lt;sup>47</sup> Commission Report assessing Member States' programme of measures under the Marine Strategy Framework Directive (COM(2018)562).

<sup>&</sup>lt;sup>48</sup> Romania reported its programme of measures to the Commission on 30 August 2017 whereas the due date was 31 March 2016.

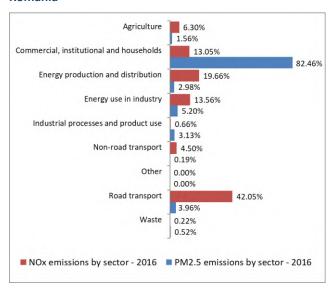
# 3. Ensuring citizens' health and quality of life

# Air quality

EU clean air policy and legislation require the significant improvement of air quality in the EU, moving the EU closer to the quality recommended by the World Health Organisation. Air pollution and its impacts on human health, ecosystems and biodiversity should be further reduced with the long-term aim of not exceeding critical loads and levels. This requires strengthening efforts to reach full compliance with EU air quality legislation and defining strategic targets and actions beyond 2020.

The EU has developed a comprehensive body of air quality legislation<sup>49</sup>, which establishes health-based standards and objectives for a number of air pollutants.

Figure 13:  $PM_{2.5}$  and  $NO_x$  emissions by sector in Romania<sup>50</sup>



The emissions of several air pollutants have decreased in Romania  $^{51}$ . The emission reductions between 1990 and 2014, mentioned in the previous EIR, continued between 2014 and 2016. Emissions of sulphur oxides (SOx) fell by 41.29 %, emissions of nitrogen oxides (NOx) fell by 3.1 %, emissions of ammonia (NH<sub>3</sub>) fell by 0.69 %, emissions of fine particulate matter PM<sub>2.5</sub> fell by 4.5 % and emissions of volatile organic compounds (NMVOCs) fell by 2.83 % (see also Figure 13 on the total PM<sub>2.5</sub> and NO<sub>x</sub> emissions per sector).

Despite these reductions in emissions, Romania needs to make additional efforts to meet its emission reduction

commitments (compared with 2005 emission levels) set by the new National Emissions Ceilings Directive<sup>52</sup> for 2020-2029 and for any year from 2030.

Air quality in Romania continues to give cause for severe concern. For 2015, the European Environment Agency estimated that about 25 400 premature deaths were attributable to concentrations of fine particulate matter<sup>53</sup>, 580 to ozone concentrations and 1 300 to nitrogen dioxide concentrations<sup>54</sup>.

According to a special report from the European Court of Auditors<sup>55</sup> EU action to protect human health from air pollution has not had its expected impact. There is a risk that air pollution is being underestimated in some instances because it may not always be monitored in the right places. Member States are now required to report both real-time and validated air quality data to the Commission<sup>56</sup>.

For  $2017^{57}$ , exceedances related to the annual limit value for nitrogen dioxide (NO<sub>2</sub>) were registered in 5 (out of 54) air quality zones (including Bucarest, Cluj-Napoca and lasi). Exceedances have also been registered related to particulate matter (PM<sub>10</sub>) in 4 (out of 54) air quality zones (including lasi, Bucarest and Brasov), and related to fine particulate matter (PM<sub>2.5</sub>) in 2 (out of 54) air quality zones (lasi and Brasov). However, due to reporting and monitoring deficiencies the compliance situation cannot be established with certainty. Based on the information received in the ongoing infringement case on monitoring and reporting, Romania promises to correct the reporting as soon as possible and to have the monitoring system up to standard for the start of 2019.

See also Figure 14 on the number of air quality zones in exceedance for  $NO_2$ ,  $PM_{2.5}$ , and  $PM_{10}$ .

<sup>&</sup>lt;sup>49</sup> European Commission, 2016. Air Quality Standards

<sup>&</sup>lt;sup>50</sup> 2016 NECD data submitted by Member State to the EEA.

<sup>&</sup>lt;sup>51</sup> European Environment Agency, 2016. <u>Air pollutant emissions data viewer (LRTAP Convention).</u>

<sup>52</sup> Directive 2016/2284/EU

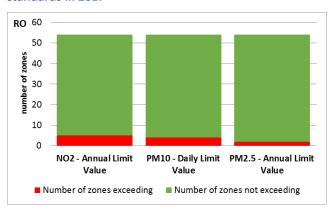
Farticulate matter (PM) is a mixture of aerosol particles (solid and liquid) covering a wide range of sizes and chemical compositions. PM10 (PM2.5) refers to particles with a diameter of 10 (2.5) micrometres or less. PM is emitted from many human sources, including combustion.
 EEA, Air Quality in Europe – 2018 Report, p. 64. Please see details in this report as regards the underpinning methodology.

<sup>&</sup>lt;sup>55</sup> European Court of Auditors, Special report no 23/2018, <u>Air pollution:</u> <u>Our health still insufficiently protected</u>, p.41.

<sup>&</sup>lt;sup>56</sup> Article 5 of Commission Implementing Decision 2011/850/EU of 12 December 2011 laying down rules for Directives 2004/107/EC and 2008/50/EC of the European Parliament and of the Council as regards the reciprocal exchange of information and reporting on ambient air quality (OJ L 335, 17.12.2011, p. 86) requires Member States to provide Up-To-Date data.

<sup>&</sup>lt;sup>57</sup> EU Environment Agency, <u>Central Data Repository</u>

Figure 14: Air quality zones exceeding EU air quality standards in 2017<sup>58</sup>



The persistent breaches of air quality standards (for  $PM_{10}$ ), which have severe negative effects on health and the environment, are being followed up by the European Commission through infringement procedures in all Member States concerned, including Romania. The Commission has decided to refer Romania to the European Court of Justice for exceeding  $PM_{10}$  levels (see COM (2018) 330). The aim is to ensure that appropriate measures are put in place to bring all zones into compliance.

#### 2019 priority actions

- Take action, in the context of the forthcoming national air pollution control programme (NAPCP), to reduce the main emission sources, including through the priority actions below:
- Accelerate the reduction of nitrogen oxide (NO<sub>x</sub>) emissions and nitrogen dioxide (NO<sub>2</sub>) concentrations.
   This will require, for example, further reducing transport emissions, particularly in urban areas (and may require proportionate and targeted urban vehicle access restrictions), and/or using tax incentives;
- Accelerate reductions in particulate matter (PM<sub>2.5</sub> and PM<sub>10</sub>) emissions and concentrations. This will require, for example, further reducing emissions from energy production and heat generation using solid fuels, and promoting efficient and clean district heating;
- Upgrade and improve the air quality monitoring network, and ensure timely reporting of air quality data;
- Reduce the use of coal for domestic heating in order to limit air pollutants emissions, for instance building on the "Coal regions in transition" initiative.

#### **Industrial emissions**

<sup>58</sup> <u>EEA, EIONET Central Data Repository.</u> Data reflects the reporting situation as of 26 November 2018.

The main objectives of EU policy on industrial emissions are to:

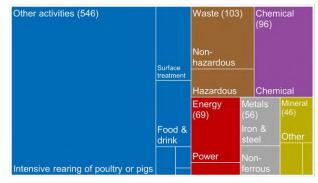
- (i) protect air, water and soil;
- (ii) prevent and manage waste;
- (iii) improve energy and resource efficiency; and
- (iv) clean up contaminated sites.

To achieve this, the EU takes an integrated approach to the prevention and control of routine and accidental industrial emissions. The cornerstone of the policy is the Industrial Emissions Directive<sup>59</sup> (IED).

The below overview of industrial activities regulated by the IED is based on the 'industrial emissions policy country profiles' project<sup>60</sup>.

In Romania, around 915 industrial installations must have a permit according to the  $\rm IED^{61}$ . In 2015, the industrial sectors in Romania with the most IED installations were: the intensive rearing of poultry or pigs, comprising 48 %, followed by the waste management sector (11 %), chemicals (10.5 %) and energy-power (6.3 %).

Figure 15: Number of IED industrial installations per sector, Romania (2015)



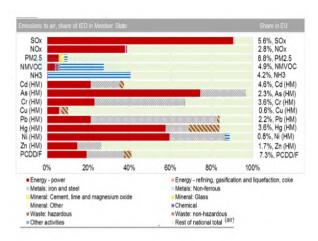
The industrial sectors identified as contributing the most emissions to air are: (i) the energy-power sector for all pollutants except non-methane volatile organic compounds (NMVOCs) and ammonia (NH<sub>3</sub>); (ii) metal production for cadmium (Cd), arsenic (As), chromium (Cr), lead (Pb), mercury (Hg), zinc (Zn) and polychlorinated dibenzodioxins and polychlorinated dibenzofurans (PCDD/F); (iii) 'other activities' (mostly the intensive rearing of poultry or pigs and surface treatment) for NMVOCs and ammonia; and (iv) waste management for mercury. The breakdown is shown in the following graph.

<sup>&</sup>lt;sup>59</sup> <u>Directive 2010/75/EU</u> covers industrial activities carried out above certain thresholds. It covers energy industry, metal production, mineral and chemical industry and waste management, as well as a wide range of industrial and agricultural sectors (e.g. intensive rearing of pig and poultry, pulp and paper production, painting and cleaning).

<sup>&</sup>lt;sup>60</sup> European Commission, <u>Industrial emissions policy country profile –</u>

<sup>&</sup>lt;sup>61</sup> European Commission, Industrial Emissions policy Country profiles: <u>Romania</u>.

Figure 16: Emissions to air from IED sectors and all other national total air emissions, Romania (2015)



Regarding water emissions, chemicals and metal production were identified as the most polluting sectors. Metals production, energy-refining and waste management mainly contribute to hazardous waste generation, while energy-power, followed by 'other activities', mainly contribute to non-hazardous waste generation.

The enforcement approach under the IED creates strong rights for citizens to have access to relevant information and to participate in the permitting process for IED installations. This empowers NGOs and the general public to ensure that permits are appropriately granted and their conditions respected.

Best available techniques (BAT) reference documents (BREFs) and BAT conclusions are developed through the exchange of information between Member States, industrial associations, NGOs and the Commission. This ensures good collaboration with stakeholders and a better application of the IED rules.

Thanks to the national competent authorities' efforts to apply the legally binding BAT conclusions and associated BAT emission levels in environmental permits, pollution had decreased considerably and continuously in the EU.

For example, by applying the recently adopted BAT emission levels for large combustion plants, emissions of sulphur dioxide will be cut on average by between 25 % and 81 %, nitrogen oxide between 8 % and 56 %, dust between 31 % and 78 % and mercury between 19 % and 71 % at EU level. The extent of the reduction depends on the situation of individual plants.

The specific challenge identified for Romania relates to air pollution from the energy-power sector.

#### 2019 priority actions

 Ensure that all the industrial installations have a permit based on the IED; Review permits to ensure

- that they comply with the newly adopted BAT conclusions;
- Strengthen control and enforcement to ensure compliance with the BAT conclusions;
- Address air pollution from the energy-power sector.

#### **Noise**

The Environmental Noise Directive<sup>62</sup> provides for a common approach to avoiding, preventing and reducing the harmful effects of exposure to environmental noise.

Excessive noise from aircraft, railways and roads is one of the main causes of environmental health-related issues in the EU<sup>63</sup>.

Based on a limited set of data<sup>64</sup>, environmental noise causes at least around 1 300 premature deaths per year in Romania, and is responsible for around 2 300 hospital admissions. Noise also disturbs the sleep of some 970 000 people. Romania's implementation of the Environmental Noise Directive has been significantly delayed. Based on the latest full set of information that could be analysed (i.e. from 2012 for noise maps and from 2013 for action plans), the noise mapping is almost completed. In contrast, the action plans for most agglomerations, most major roads and most major railways are still lacking. These instruments, adopted after a public consultation had been carried out, should include the measures to keep noise low or reduce it.

## 2019 priority actions

- Complete the missing noise action plans;
- Complete the missing noise maps.

#### Water quality and management

EU legislation and policy requires that the impact of pressures on transitional, coastal and fresh waters (including surface and ground waters) be significantly reduced. Achieving, maintaining or enhancing a good status of water bodies as defined by the Water Framework Directive will ensure that EU citizens benefit from good quality and safe drinking and bathing water. It will further ensure that the nutrient cycle (nitrogen and phosphorus) is managed in a more sustainable and resource-efficient way.

<sup>62</sup> Directive 2002/49/EC.

<sup>&</sup>lt;sup>63</sup> WHO/JRC, 2011, Burden of disease from environmental noise, Fritschi, L., Brown, A.L., Kim, R., Schwela, D., Kephalopoulos, S. (eds), World Health Organisation, Regional Office for Europe, Copenhagen, Denmark

<sup>&</sup>lt;sup>64</sup> European Environment Agency, Noise Fact Sheets 2017.

The existing EU water legislation<sup>65</sup> puts in place a protective framework to ensure high standards for all water bodies in the EU and addresses specific pollution sources (for example, from agriculture, urban areas and industrial activities). It also requires that the projected impacts of climate change are integrated into the corresponding planning instruments e.g. flood risk management plans and river basin management plans, including programme of measures which include the actions that Member States plan to take in order to achieve the environmental objectives.

#### **Water Framework Directive**

Romania has adopted and reported the second generation of River Basin Management Plans under the Water Framework Directive and the European Commission has assessed the status and the development since the adoption of the first River Basin Management Plans, including suggested actions in the EIR report 2017.

The most significant pressures on surface waters are diffuse pressures from discharges not connected to sewerage network (25% of surface water bodies), diffuse pollution from agricultural (12%) and urban waste water (5%). For groundwater bodies the most significant pressure is diffuse pollution from agriculture and discharges not connected to sewerage networks, both affecting 10% of groundwater bodies

The **most significant impact** on surface waters is nutrient pollution/enrichment (affecting 27% of surface water bodies) followed by organic pollution (17%) and most significant impact on groundwater is chemical pollution (affecting 10% of groundwater bodies).

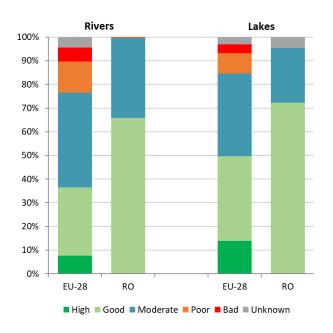
More assessment methods have been developed between the first and second River Basin Management Plans, including physicochemical quality elements, hydromorphological quality elements and River Basin Specific Pollutants. The confidence in assessments of ecological status has improved for rivers and more biological quality elements and supporting quality elements have been used for classification of status in the second River Basin Management Plans.

The **ecological status/potential** is good or better in most of the lakes and rivers (66.14%) as illustrated in Figure 17 but in none of the transitional and coastal waters. There are very few water bodies with unknown status/potential.

<sup>65</sup> This includes the <u>Bathing Waters Directive (2006/7/EC)</u>, the <u>Urban Waste Water Treatment Directive (91/271/EEC)</u> (on discharges of municipal and some industrial wastewaters), the <u>Drinking Water Directive (98/83/EC)</u> (on potable water quality), the <u>Water Framework Directive (2000/60/EC)</u> (on water resources management), the <u>Nitrates Directive (91/676/EEC)</u> and the <u>Floods Directive (2007/60/EC)</u>.

Where environmental objectives are not yet achieved exemptions can be applied in case the respective conditions are met and the required justifications are explained in the River Basin Management Plans. Romania has informed that projects will be assessed in the context of the regulatory process (permits) and the requirements of the Water Framework Directive (Article 4(7)). A further in-depth analysis is needed to assess whether all the requirements are fulfilled and whether the effects of all newly planned modifications on water body status/potential are assessed at quality element level.

Figure 17: Ecological status or potential of surface water bodies in Romania<sup>66</sup>



All groundwater bodies are in **good quantitative status** and between the first and second River Basin Management Plans there was a slight increase in the proportion of water bodies in **good chemical status** (from 93 to 98%). While some water bodies had an unknown status in the first River Basin Management plans, all water bodies were classified in the second. However, 56% of water bodies are still classified with low confidence. The spatial coverage of monitoring in river and lakes may explain the low confidence in the assessment and very limited monitoring is performed in biota.

Significant pressures are identified in the second River Basin Management Plans and addressed by measures (Key type of measures). Some measures are completed since the first Programme of Measures but obstacles such lack of finance, delays and lack of mechanism have

<sup>66</sup> EEA, WISE dashboard.

occurred in relation to the implementation of the first Programme of Measures.

#### **Nitrates Directive**

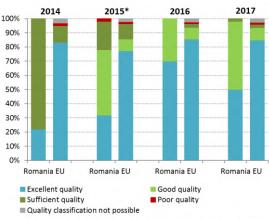
Since 2013, Romania has a revised action programme in place for the implementation of the Nitrates Directive, which applies to the whole national territory. The revised has brought significant improvements compared to the previous action programme implementing the Nitrates Directive. The Romanian authorities have decided to apply a 'whole territory approach' instead of designating nitrate-vulnerable zones and have changed some of the measures in its action programme, with significant improvements.

#### **Drinking Water Directive**

As regards drinking water, no new data is available since the last 2017 EIR, which showed that 99.44 % of all drinking water analyses (2013) were compliant with the Drinking Water Directive<sup>67</sup>. A significant part of the population (57 %)<sup>68</sup> is not connected to public water supply systems. Romania considers this insufficient connection rate, water scarcity and insufficient quality of water resoursces a priority for EU funding.

#### **Bathing Water Directive**

Figure 18: Bathing water quality 2014-2017<sup>69</sup>



<sup>\*</sup>The category 'good' was introduced in the 2015 bathing water report

Figure 18 shows that in 2017, out of Romania's 50 bathing waters 50 % were of excellent quality, 48 % of good quality and 2 % of sufficient quality $^{70}$ . In 2016 all

67European Commission, Commission's Synthesis Report on the Quality of Drinking Water in the Union examining Member States' reports for the 2011-2013 period, foreseen under Article 13(5) of Directive 98/83/EC; COM(2016)666, and accompanying country reports 68 European Commission, Impact Assessment SWD(2017)449 final of 1.2.2018 accompanying the Drinking Water Recast Proposal COM(2017)753 final

bathing waters were either of excellent (70 %) or good (30 %) quality. Detailed information on Romania's bathing waters is available from a national web portal<sup>71</sup> and via an interactive map viewer designed and hosted by the European Environment Agency<sup>72</sup>.

#### **Urban Waste Water Treatment Directive**

Romania has been struggling to implement the Urban Waste Water Treatment Directive and is lagging behind other Member States. According to the latest reporting, only 2.5 % of Romania's waste water load was collected (8 agglomerations) in accordance with the Directive, while 6 agglomerations met the secondary treatment requirements and only 1 agglomeration met the more stringent treatment requirements.

The final deadline for Romania to reach compliance with the Directive is 31 December 2018 according to its Accession Treaty. Given the very low compliance rates, the Commission decided to launch an infringement procedure against Romania on the basis of the 2013 and 2015 intermediate deadlines set in the Accession Treaty, i.e. on compliance of agglomerations above 10 000 p.e. with collection and treatment requirements.

The estimated investment needed to ensure appropriate collection and treatment of waste water from the remaining agglomerations is estimated at EUR 12 billion<sup>73</sup>. This figure remains high in spite of a significant number of EU supported projects<sup>74</sup>. Other ongoing studies suggest even higher investment needs. According to the latest report<sup>75</sup>, the last forecasted projects should be completed by 2027-2030, far beyond the final deadlines of 2015 and 2018 set in Romania's Accession Treaty. Romania should finalise the projects for agglomerations in breach of the Directive as soon as possible.

In order to reach compliance, Romania should improve the prioritisation of the water projects proposed for support from EU funds and speed up their preparation and implementation. Moreover, the revenues generated by water companies should ensure the sustainability of the newly constructed infrastructure.

<sup>&</sup>lt;sup>69</sup> European Environment Agency, 2018. <u>European bathing water quality</u> in 2017, p. 21.

<sup>&</sup>lt;sup>70</sup> European Environment Agency, 2017. <u>European bathing water quality in 2016</u>, p. 17.

<sup>71</sup> Romania's national bathing waters web portal.

<sup>72</sup> EEA, State of bathing waters.

<sup>&</sup>lt;sup>73</sup> European Commission, Ninth Report on the Implementation Status and the Programmes for Implementation of the Urban Waste Water Treatment Directive (COM(2017) 749) and Commission Staff Working Document accompanying the report (SWD(2017)445).

 $<sup>^{74}</sup>$  29 ISPA pre-accession projects (€ 1,1 bil) and 97 projects from SOP Environment 2007-2013 (€ 3,2 bil).

<sup>&</sup>lt;sup>75</sup> European Commission, Ninth Report on the Implementation Status and the Programmes for Implementation of the Urban Waste Water Treatment Directive (<u>COM(2017) 749</u>) and Commission Staff Working Document accompanying the report (<u>SWD(2017)445</u>).

#### **Floods Directive**

The Floods Directive established a framework for the assessment and management of flood risks, aiming at the reduction of the adverse consequences associated with significant floods.

Romania has adopted and reported its first Flood Risk Management Plans under the Directive and the European Commission conducted an assessment.

The Commission's assessment found that good efforts were made with positive results in setting objectives and devising measures focusing on prevention, protection and preparedness. The assessment also showed that, as was the case for other Member States, Romania's Flood Risk Management Plans include measures that are not linked to the objectives (including clarifying whether the planned measures are sufficient to reach the objectives) and an as complete as possible estimation of the cost of measures with identification of specific sources of funding. In addition, there is scope for improving the integration of the flood risk management cycle's successive steps into the Flood Risk Management Plan.

#### 2019 priority actions

- Strengthen monitoring of surface water by covering all relevant quality elements in all water categories, including hydromorphological quality elements and improve quantitative and chemical groundwater monitoring;
- Ensure that projects, which potentially can affect the status of water bodies, are thoroughly assessed and justified in line with the requirements in the Water Framework Directive (Article 4(7));
- Improve the implementation of the requirements under the Urban Waste Water Treatment Directive in relation to the requirement of more stringent treatment of wastewaters for discharge into sensitive areas, and ensure investments to allow for appropriate treatment of waste water from big cities;
- Step up efforts to ensure implementation of the Urban Waste Water Treatment Directive, in particular by establishing a realistic and efficient implementation plan spanning the coming years, including forecasted financing sources;
- Take steps to improve the integration of the flood risk management cycle's successive steps into the Flood Risk Management Plan.

#### Chemicals

The EU seeks to ensure that by 2020 chemicals are produced and used in ways that minimise any significant adverse effects on human health and the environment. An EU strategy for a non-toxic environment that is conducive to innovation and to developing sustainable substitutes, including non-chemical options, is being prepared.

The EU's chemicals legislation<sup>76</sup> provides baseline protection for human health and the environment. It also ensures stability and predictability for businesses operating within the internal market.

In 2016, the European Chemicals Agency (ECHA) published a report on the operation of REACH and the CLP Regulation<sup>77</sup> that showed that enforcement activities are still evolving. Member States cooperate closely within the Forum for Exchange of Information on Enforcement<sup>78</sup>. This cooperation has shown that the effectiveness of the enforcement activities, particularly for registration obligations and safety data sheets where the level of non-compliance is still relatively high.

While progress has been made, there is room to improve further and harmonise enforcement activities across the EU, including controls on imported goods. Enforcement remains weak in some Member States, particularly for controls on imports and supply chain obligations. The enforcement architecture is complex in most EU countries and enforcement projects reveal differences in compliance between Member States.

A 2015 Commission study already emphasised the importance of harmonised market surveillance and enforcement when implementing REACH at Member State level, deeming it to be a critical success factor in the operation of a harmonised single market <sup>79</sup>.

In March 2018, the Commission published an evaluation of REACH<sup>80</sup>. The evaluation concludes that REACH delivers on its objectives, but that progress made is slower than anticipated. In addition, the registration dossiers often are incomplete. The evaluation underlines the need to enhance enforcement by all actors, including registrants, downstream users and in particular for

21

 $<sup>^{76}</sup>$  Principally for chemicals: REACH (OJ L 396, 30.12.2006, p.1.); for Classification, Labelling and Packaging, the CLP Regulation (: OJ L 252, 31.12.2006, p.1.), together with legislation on biocidal products and plant protection products.

<sup>&</sup>lt;sup>77</sup> European Chemicals Agency, <u>Report on the Operation of REACH and</u>

<sup>&</sup>lt;sup>78</sup> ECHA, on the basis of the projects <u>REF-1</u>, <u>REF-2</u> and <u>REF-3</u>.

<sup>&</sup>lt;sup>79</sup> European Commission. (2015). Monitoring the Impacts of REACH on Innovation, Competitiveness and SMEs. Brussels: European Commission.

<sup>80</sup> COM(2018) 116.

importers, to ensure a level playing field, meet the objectives of REACH and ensure consistency with the actions envisaged to improve environmental compliance and governance. Consistent reporting of Member State enforcement activities was considered important in that respect.

The competent authorities for REACH in Romania are:

- The Ministry of the Environment as coordinating authority;
- The National Environmental Protection Agency (Agenţia Naţională pentru Protecţia Mediului) for REACH implementation;
- The National Environmental Guard (Garda Naţională de Mediu) for REACH enforcement.

#### Making cities more sustainable

EU policy on the urban environment encourages cities to put policies in place for sustainable urban planning and design. These should include innovative approaches to urban public transport and mobility, sustainable buildings, energy efficiency and urban biodiversity conservation.

The population living in urban areas in Europe is projected to rise to just over 80% by 2050<sup>81</sup>. Urban areas pose particular challenges for the environment and human health, but they also provide opportunities for using resources more efficiently. The EU encourages municipalities to become greener through initiatives such as the Green Capital Award<sup>82</sup>, the Green Leaf Award<sup>83</sup> and the Green City Tool<sup>84</sup>.

#### Financing greener cities

Romania has committed to ensuring that at least 5 % of its European Regional Development Fund (ERDF) national allocation will be dedicated to sustainable urban development  $^{85}$ .

As part of the initiatives under the Urban Development Network, the ERDF is supporting urban innovative actions (UIAs) as a way of testing new and unproven solutions to address urban challenges. There is a total ERDF budget of EUR 372 million for UIAs for 2014-2020. Romania is not participating in the UIA programme.

#### Participation in EU urban initiatives and networks

Romanian municipalities are generally involved in EU initiatives on environmental protection and climate

\*\*European Commission, Eurostat, \*Urban Europe\*, 2016, p.9.

change.

Romanian cities are also actively involved in initiatives such as Eurocities and the EU Covenant of Mayors. As of June 2018, 85 Romanian cities were signed up to the EU Covenant of Mayors.

The city of Oradea in western Romania was one of seven cities that applied for the 2018 European Green Capital Award.

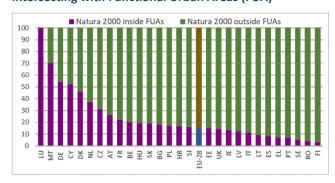


These urban initiatives and networks are welcomed and encouraged, as they can contribute to a better urban environment. People living in Romanian cities are increasingly taking a more positive view of the area they live in. However, in 2017, 21 % of them considered that the area they lived in was affected by pollution, crime or other environmental problems (EU-28 average: 20 %)<sup>86</sup>.

#### **Nature and cities**

Around 3% of Natura 2000 network in Romania is to be found within functional urban areas<sup>87</sup>, which is slightly above the EU average of 15% (see Figure 19).

Figure 19: Proportion of the Natura 2000 network intersecting with Functional Urban Areas (FUA)<sup>88</sup>



Some 8 municipalities are involved in the URBACT initiative to support sustainable urban development,

<sup>82</sup> European Commission, European Green Capital.

<sup>83</sup> European Commission, European Green Leaf Award.

<sup>&</sup>lt;sup>84</sup> European Commission, Green City Tool.

<sup>&</sup>lt;sup>85</sup> Government of Romania, <u>Partnership Agreement 2014-2020</u>, 2014, p. 434

<sup>&</sup>lt;sup>86</sup> European Commission, Eurostat, <u>Pollution, grime or other environmental problems by degree of urbanisation</u>.

<sup>&</sup>lt;sup>87</sup> European Commission, <u>Definition of Functional Urban Areas.</u>

<sup>&</sup>lt;sup>88</sup> European Commission, <u>The 7<sup>th</sup> Report on Economic, Social and Territorial Cohesion</u>, 2017, p. 121.

through 28 different thematic networks89.

#### **Urban sprawl**

Romania had one of the lowest weighted urban proliferation rates, at 0.78 UPU/m² in 2009 compared to a European average (EU-28+EEA-4) of 1.64 UPU/m², with a 6.84 % increase from 2006 to 2009<sup>9091</sup>.

#### Traffic congestion and urban mobility

The total number of road vehicles in Romania has increased to 6.5 million in 2018.

Romania's 2016-2020 national climate change strategy includes among its strategic objectives the 'protection and extension of natural recreational areas in cities and their surroundings'. The country's 2035 territorial development strategy includes a measure to develop green space in urban areas and green belts around large cities. The strategy mentions the need to start a process for planning public space and developing networks of green spaces in urban areas. It also mentions that the creation of green belts will require: (i) including them in planning documents; and (ii) using legislation and tax incentives to make the green belts a reality. It is unclear to what extent implementation of these measures has progressed.

<sup>89</sup> URBACT, Associated Networks by country.

 $<sup>^{90}</sup>$  Urban Permeation Units measure the size of the built-up area as well as its degree of dispersion throughout the region.

<sup>&</sup>lt;sup>91</sup> EEA, <u>Urban Sprawl in Europe, Annex I</u>, 2014, pp.4-5.

# Part II: Enabling framework: implementation tools

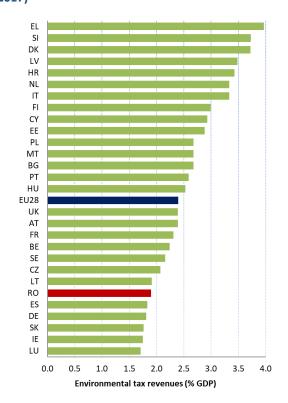
# 4. Green taxation, green public procurement, environmental funding and investments

# Green taxation and environmentally harmful subsidies

Financial incentives, taxation and other economic instruments are effective and efficient ways to meet environmental policy objectives. The circular economy action plan encourages their use. Environmentally harmful subsidies are monitored in the context of the European Semester and the energy union governance process.

Romania's revenue from environment-related taxes remains in line with the EU average. Environmental taxes accounted for 1.9 % of GDP in 2017 (EU-28 average: 2.4 %) (Figure 20), and energy taxes for 1.76 % of GDP (EU average 1.84 %<sup>92</sup>). In the same year, environmental tax revenues were 7.39 % of total revenues from taxes and social-security contributions (EU average of 5.97 %).

Figure 20: Environmental tax revenues as % of GDP  $(2017)^{93}$ 



<sup>92</sup> Eurostat, Environmental tax revenues, 2018.

Romania's tax structure results in a lower proportion of revenues from labour tax in total tax revenues than the EU average. Romania's labour tax revenues were 38.8 % in 2016, while the implicit tax burden on labour was 28.8 % <sup>94</sup>. Consumption taxes remained relatively high (41.4 %, fifth in the EU-28), showing that there is limited potential for shifting taxes from labour to consumption, particularly to environmental ones.

There are some examples of sound fiscal measures for the environment, such as the packaging tax, one of the country's most important environmental taxes: all economic operators are responsible for all packaging waste generated. Therefore, they are responsible for recovering waste<sup>95</sup>.

In 2015, fossil fuel subsidies were among the highest in the EU. Post-tax subsidies (which include not only pricegap subsidies but also the negative externalities associated with fossil fuel use, such as local air pollution, faster climate change and congestion) amounted to USD 14 billion in 2015<sup>96</sup>.

Substantial progress has been made on reducing the 'diesel differential' (difference in the price of diesel versus petrol) since 2005. In 2016 there was only a 7 % gap between petrol and diesel tax rates, while in 2005 it was 31 %<sup>97</sup>. Excise tax rates levied on petrol and diesel in 2016 remained unchanged compared with those in 2015 (RON 2.04 per litre for petrol and RON 1.90 for diesel<sup>98</sup>).

CO<sub>2</sub>-based motor vehicle taxes are in place in Romania<sup>99</sup>. A three-year fleet renewal scheme was launched in May 2017, which includes incentive bonuses for scrappage, and for buying electric and hybrid vehicles and vehicles with CO<sub>2</sub> emissions lower than 98 g/km<sup>100</sup>.

Incentives to encourage people to buy cars with lower CO<sub>2</sub> emissions were put in place in 2016. These were linked to annual circulation taxes and subsidies, road tolls, congestion or low emission zone charges and also

<sup>&</sup>lt;sup>93</sup> Eurostat, Environmental tax revenues, 2018.

<sup>&</sup>lt;sup>94</sup> European Commission, <u>Taxation Trends Report</u>, 2017.

 $<sup>^{\</sup>rm 95}$  Institute for European Environmental Policy, Case Studies on

Environmental Fiscal Reform, The Packaging tax in Romania

<sup>&</sup>lt;sup>96</sup> European Parliament and IMF, Fossil Fuel Subsidies, 2017, pp. 10-11.

<sup>&</sup>lt;sup>97</sup> European Environment Agency 2017, <u>Environmental taxation and EU</u> environmental policies, p. 27.

<sup>98</sup> European Commission, <u>Taxes in Europe Database</u>, 2018.

<sup>&</sup>lt;sup>99</sup> ACEA, CO<sub>2</sub> based motor vehicle taxes in Europe.

<sup>100</sup> European Commission, <u>European Semester Country Report 2018</u>, p.17.

to buying cleaner vehicles. There are some incentives connected to the preferential use of public infrastructures  $^{101}$ . Emission levels of new vehicles bought in Romania are in line with the EU average, with average  $CO_2$  emissions of 122 grams per kilometre (EU average 118 grams in  $2016^{102}$ ).

This report also suggests that the tax system can be used to support environmental policy while also generating revenue. In particular, the implementation of a landfill tax and its gradual increase would divert recyclable waste from the landfills (see Chapter 1 on waste management) and fiscal incentives can also help lower emissions (see Chapter 3 on air quality).

The use of alternative fuels in new passenger cars sold in Romania has remained low over the past few years. The percentage share of new passenger cars using alternative fuels was 0.17 % in 2016 falling from 0.44 % in 2013<sup>103</sup>. Most of these are electric vehicles. Since 2013 there have been few, if any, sales of compressed natural gas (CNG) vehicles in the country. Favourable tax treatment for company cars is not a cause for concern in Romania<sup>104</sup>. However, a relevant fiscal measure has been introduced in relation to company cars in 2018: the car tax refund granted to certain types of low-polluting vehicles is no longer available<sup>105</sup>.

## **Green public procurement**

The EU green public procurement policies encourage Member States to take further steps to apply green procurement criteria to at least 50 % of public tenders. The European Commission is helping to increase the use of public procurement as a strategic tool to support environmental protection.

The purchasing power of public procurement amounts to around EUR 1.8 trillion in the EU (approximately 14% of GDP). A substantial proportion of this money goes to sectors with a high environmental impact such as construction or transport. Therefore, green public procurement (GPP) can help to significantly lower the negative impact of public spending on the environment

and can help support sustainable innovative businesses. The Commission has proposed EU GPP criteria<sup>106</sup>.



In April 2016, Romania adopted a law dedicated to green public procurement. The country will establish a set of criteria for procuring green products as well as services categories. The law provides for (i) a guide that includes minimum criteria for the environmental protection of goods and services, (ii) the standard specifications and (iii) a multi-annual action plan on green public procurement at national level. According to the law, the guide will be approved by joint order of the Ministry of Environment and the National Agency for Public Procurement. Currently, this order is undergoing an internal consultation process. Following this process the Ministry of Environment will develop the national action plan on green public procurement that includes specific annual targets.

# **Environmental funding and investments**

European Structural and Investment Fund (ESIF) rules oblige Member States to promote environment and climate in their funding strategies and programmes for economic, social and territorial cohesion, rural development and maritime policy.

Achieving sustainability involves mobilising public and private financing sources<sup>107</sup>. Making use of the European Structural and Investment Funds (ESIFs)<sup>108</sup> is essential if countries are to achieve their environmental goals and

<sup>&</sup>lt;sup>101</sup> European Environmental Agency, <u>Appropriate taxes and incentives</u> do affect purchases of new cars, 18 May 2018.

<sup>&</sup>lt;sup>102</sup> European Environment Agency, <u>Average CO2</u> emissions from new passenger cars sold in EU-28 Member States plus Norway, Iceland and Switzerland in 2016

<sup>&</sup>lt;sup>103</sup> European Commission, <u>Transport in the European Union Current Trends and Issues</u>, 2018, pp.27-28.

<sup>&</sup>lt;sup>104</sup> European Commission, <u>Taxation of commercial cars in Belgium</u>, 2017 n. 3

<sup>&</sup>lt;sup>105</sup> FleetEurope, Major changes to company car taxation in Europe.

<sup>&</sup>lt;sup>106</sup> In the Communication 'Public procurement for a better environment' (COM (2008) 400) the Commission recommended the creation of a process for setting common GPP criteria. The basic concept of GPP relies on having clear, verifiable, justifiable and ambitious environmental criteria for products and services, based on a life-cycle approach and scientific evidence base.

<sup>&</sup>lt;sup>107</sup> See, for example, <u>Action plan on financing sustainable growth</u> (COM(2018) 97).

<sup>&</sup>lt;sup>108</sup> i.e. the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). The ERDF, the CF and the ESF are referred to as the 'cohesion policy funds'.

integrate these into other policy areas. Other instruments such as Horizon 2020, the LIFE programme <sup>109</sup> and the European Fund for Strategic Investments (EFSI) <sup>110</sup> may also support the implementation and spread of good practices.

According to the 2017 Special Eurobarometer 468 on attitudes of EU citizens towards the environment, 80 % of Romanians support greater EU investment in environmental protection (EU28 average being 85 %).

#### **European Structural and Investment Funds 2014-2020**

Making good use of the European Structural and Investment Funds (ESIF<sup>111</sup>) is essential to achieve the environmental goals and integrate these into other policy areas. Other instruments such as the Horizon 2020, the LIFE programme<sup>112</sup> and the EFSI<sup>113</sup> may also support implementation and spread of best practice.

Through eight national and regional programmes, Romania has been allocated EUR 30.84 billion from ESIF funds for 2014-2020. This means that with its national contribution of EUR 5.63 billion, Romania has a total budget of EUR 36.47 billion to invest in various areas, such as creating jobs and growth, promoting innovation, protecting the environment and supporting social inclusion<sup>114</sup>.

The 2014-2020 Partnership Agreement (a strategic plan with investment priorities covering the ESIF) reiterates the need to promote green infrastructure. The Agreement lists ecological corridors, 'green bridges' and eco-passages as examples of how artificially fragmented natural areas can be reconnected. Other funds are from the 'Large Infrastructure Operational Programme' (LIOP), the Interreg V-A Romania-Hungary programme (2014-2020) (see below), and European Economic Area (EEA) and Norway grants. LIFE funding also provides opportunities.

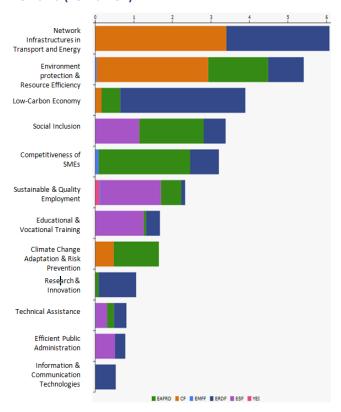
#### **Cohesion policy**

Romania receives around EUR 23 billion from EU sources in total cohesion policy funding<sup>115</sup> for 2014-2020, including EUR 453 million for European Territorial

Cooperation and EUR 4.7 billion from the European Social Fund (ESF). There are four programmes funded by the European Regional Development Fund (ERDF) and the Cohesion Fund, and two programmes funded by the ESF including the Youth Employment Initiative.

In total, EUR 7.1 billion is allocated for environmental investments under the Cohesion policy (see Figure 21). For 2014-2020 there is no separate operating programme for the environment as was the case for 2007-2013. However, environment is part of the 'large infrastructure operational programme' and to a lesser extent of the 'Regional operational programme', together with transport and energy, managed by the Ministry of European Funds and the Ministry of Regional Development and Public Administration.

Figure 21: ESIF 2014-2020: EU allocation by theme, Romania (EUR billion)<sup>116</sup>



From for the period 2014-2020, EUR 7.1 billion is allocated for environmental expenditure within the Cohesion Policy: TO4: Shift towards a low-carbon economy — EUR 2.9 billion; TO5: Climate change adaptation & risk prevention and management — EUR 479 million; and TO6: Environmental protection & resource efficiency — EUR 3.7 billion. Compared to 2007-2013, the overall allocation for Romania is slightly higher. However, the allocation for environment is lower for the new period. For the period 2014-2020, as mentioned

 $<sup>^{109}</sup>$  European Commission, LIFE programme.

<sup>&</sup>lt;sup>110</sup> European Investment Bank, <u>European Fund for Strategic Investments</u>, 2016.

<sup>&</sup>lt;sup>111</sup> ESIF comprises five funds — the European Regional Development Funds (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF). The ERDF, the CF and the ESF together form the Cohesion Policy funds.

<sup>&</sup>lt;sup>112</sup> European Commission, 2017 LIFE Romania Sheet.

<sup>&</sup>lt;sup>113</sup> European Investment Bank, 2016 <u>European Fund for Strategic Investments.</u>

<sup>114</sup> European Commission, European Structural and Investment Funds (Country factsheet Romania). 2017.

 $<sup>^{115}\!</sup>$  Cohesion Fund, European regional Development Fund, European Social fund and YEI.

<sup>&</sup>lt;sup>116</sup> European Commission, <u>European Structural and Investment Funds</u>
<u>Data By Country.</u>

above, environment is part of the 'large infrastructure operational programme' and the 'Regional Operational Programme'.

The declared investment priorities for this 2014-2020 period are to support Romania in improving the quality of its environment and in promoting the sustainable use of its natural resources. The main sectors targeted by these investments are: (i) waste management, (ii) water supply and wastewater treatment, (iii) biodiversity and nature protection, and (iv) risk prevention and management.

Romania is also targeting gaps in its implementation of environmental measures through its ESIF investment operational programmes.

#### **Rural Development**

Under the national rural development programme, EAFRD funds amount to EUR 3.252 billion — 40 % of the total budget for environmental measures. However, only 11 % is dedicated to agri-environment-climate measures. The Rural Development Programme (RDP) has a sound intervention logic which makes the link with its contribution for implementing the environmental legislation. In 2018, Romania introduced new sub measures under the agri-environmental commitments, aimed at protecting (i) agricultural lands that are major feeding grounds for the Lesser Spotted Eagle (*Aquila Pomarina*), (ii) ecological refuges on arable land for common bird species and (iii) agricultural lands that are important protection areas for the Great Bustard (*Otis Tarda*).

On integrating environmental concerns into the common agricultural policy (CAP), the two key areas for Romania (as for all Member States) are: (i) to use rural development funds to pay for environmental land management and other environmental measures, while avoiding financing measures which could damage the environment; and (ii) to ensure that the first pillar of the CAP is implemented effectively for cross-compliance and first pillar 'greening'.

The Direct Payment budget for Romania is EUR 8.949 billion<sup>117</sup>), 30 % of which (EUR 2.740 billion) is allocated to greening practices that help the environment. If Romania was ambitious in implementing first pillar 'greening', it would clearly help improve the country's environmental situation in areas not covered by rural development schemes, including areas under intensive use. The country could review, if appropriate, its implementation of first pillar 'greening'.

#### **European Maritime and Fisheries Fund**

EUR 224 million available for 2014-2020 includes more than EUR 168 million for the allocation to the European Maritime and Fisheries Fund (EMFF). On the environment, the priorities of the Romanian fisheries to promote operational programme are: (i) environmentally sustainable, resource efficient, innovative, competitive, and knowledge-based fisheries (EUR 17.8 million), and (ii) to promote environmentally sustainable, resource efficient, innovative, competitive and knowledge-based aquaculture (EUR 112.3 million).

#### The Connecting Europe Facility (CEF)

The CEF is a key EU funding instrument developed specifically to direct investment towards European transport, energy and digital infrastructure to address identified missing links and bottlenecks and promote sustainability.

By the end of 2017, Romania had signed agreements for EUR 1.2 billion for projects under the CEF<sup>118</sup>.

#### Horizon 2020

Romania has benefited from Horizon 2020 funding since the programme started in 2014. As of January 2019, 343 participants have been granted a maximum amount of EUR 55.5 million for projects from the Societal Challenges work programmes dealing with environmental issues<sup>119</sup> <sup>120</sup>.

In addition to the abovementioned work programmes, climate and biodiversity expenditure is present across the entire Horizon 2020. In Romania, projects accepted for funding in all Horizon 2020 working programmes until December 2018 included EUR 44 million destined to climate action (32.5 % of the total Horizon 2020 contribution to the country) and EUR 6 million for biodiversity-related actions (4.7 % of the Horizon 2020 contribution to the country)<sup>121</sup>.

# LIFE programme

Since its launch in 1992, the LIFE programme has financed 68 projects in Romania. Of these, 22 have been focused on environmental innovation, 42 on nature

 $<sup>^{117}</sup>$  According to Commission delegated regulation (EU) No 994/2014 of 13 May 2014.

<sup>&</sup>lt;sup>118</sup> European Commission, <u>European Semester Country Report for Romania</u>, 2018, p. 14.

<sup>&</sup>lt;sup>119</sup> European Commission own calculations based on CORDA (COmmon Research DAta Warehouse). A maximum grant amount is the maximum grant amount decided by the Commission. It normally corresponds to the requested grant, but it may be lower.

<sup>120</sup> i.e. (ii) Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy; (iii) Secure, clean and efficient energy; (iv) Smart, green and integrated transport; and (v) Climate action, environment, resource efficiency and raw materials.

<sup>&</sup>lt;sup>121</sup> European Commission <u>own calculations based on CORDA (COmmon Research DAta Warehouse)</u>.

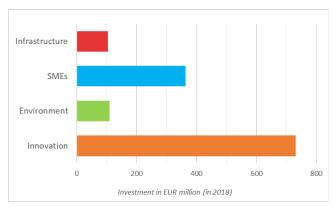
conservation and three on information and communication. Under the new LIFE programme, the EU has been co-financing one capacity-building project in Romania. This project aims to improve the capacity for supporting potential LIFE project applicants in Romania, and increase the number of successful applications submitted to the LIFE programme.

In 2014-2017 the EU allocated EUR 3.5 million to Romanian projects<sup>122</sup>. The LIFE project 'Connect Carpathians<sup>123</sup> — Enhancing landscape connectivity for brown bear and wolf through a regional network of NATURA 2000 sites in Romania' runs until 2019. 'The project, which runs from September 2013 to February 2019, aims to put in place an ecological corridor linking Natura 2000 sites in western Romania so that bears and wolves can move between the two areas. It will enhance functional connectivity such as: building capacity of responsible agencies and Natura 2000 site administrators in landscape scale conservation, involving local stakeholders in connectivity management, securing land to develop linkage corridors and managing corridors to create carnivore-permeable landscape.

#### **European Investment Bank**

In 2013-2017, EIB loans to Romania amounted to nearly EUR 10.4 billion<sup>124</sup>. In 2018 alone, The EIB group (the European Investment Bank and the European Investment Fund) invested EUR 1.31 billion in the Romanian economy. Of this, EUR 110.2 million (8 %) was allocated to the environment.

Figure 22: EIB loans to Romania in 2018 125



#### **European Fund for Strategic Investments (EFSI)**

The EFSI is an initiative to help overcome the current investment gap in the EU. In January 2019, The EFSI has

mobilised more than EUR 652 million in Romania. This is set to trigger EUR 2.7 billion in additional investments<sup>126</sup>.

The EIB is providing a EUR 7.5 million EFSI loan to GreenFiber International SA, a producer of recycled Polyethylene Terephthalate (PET) fibres, used in furniture, cars, clothes, and in construction. This circular economy project will help create 280 full-time jobs and will increase the amount of waste collected and processed in Romania by over 50 000 tonnes per year.

#### **National environmental financing**

Romania spent EUR 1.064 billion on environmental protection in 2016, a decrease of 33.4 % from 2015<sup>127</sup>. 47.4 % of these payments were allocated to waste management activities (the annual average percentage of environmental spending allocated to waste management spending in the EU is 49.7 %). Some EUR 233 million was allocated to wastewater management (21.9 % of total) and EUR 294 million to pollution abatement (27.6 % of total). Some 0.6 % of environmental expenditure was allocated to protecting biodiversity and the landscape (EUR 5.9 million). Between 2012 and 2016, general government funding for environmental protection was EUR 6 120 billion<sup>128</sup>.

As it has been mentioned through the report, one of the challenges for Romania is to ensure that environmental financing remains at an adequate level. Existent financial gaps in areas such as waste management, green infrastructure or biodiversity are delaying the correct implementation of EU environmental law and policies. Therefore, ensuring financial resources to reduce the implementation gap should be considered as a priority for the country.

#### 2019 priority actions

- Mobilise investment, including through EU funds, to: prevent waste, encourage separate collection and recycling; reduce air pollution; promote sustainable water management, and protect biodiversity and develop green infrastructure;
- Ensure projects are better prepared, better operated, and better prioritised so that EU funds can be used more effectively and better absorbed;
- Ensure that the rural development programme and greening measures boost biodiversity and contribute to achieving a favourable conservation status of habitats and species.

<sup>&</sup>lt;sup>122</sup> Commission services based on data provided by EASME.

<sup>&</sup>lt;sup>123</sup> The LIFE project 'Connect Carpathians"

<sup>&</sup>lt;sup>124</sup> EIB, Romania and the EIB, 2018.

<sup>125</sup> EIB, Romania and the EIB, 2018..

<sup>&</sup>lt;sup>126</sup> European Investment Bank, <u>EFSI project map.</u>

<sup>&</sup>lt;sup>127</sup> Eurostat, General Government Expenditure by function, 2018.

<sup>&</sup>lt;sup>128</sup> Eurostat, <u>General Government Expenditure by function</u>, 2018.

# 5. Strengthening environmental governance

# Information, public participation and access to justice

Citizens can more effectively protect the environment if they can rely on the three 'pillars' of the Aarhus Convention:

- (i) access to information;
- (ii) public participation in decision making; and
- (iii) access to justice in environmental matters.

It is of crucial importance to public authorities, the public and business that environmental information is shared efficiently and effectively<sup>129</sup>. Public participation allows authorities to make decisions that take public concerns into account. Access to justice is a set of guarantees that allows citizens and NGOs to use national courts to protect the environment<sup>130</sup>. It includes the right to bring legal challenges ('legal standing')131.

#### **Environmental information**

Romania has a dedicated national environmental portal hosted by the National Environmental Protection Agency (ANPM<sup>132</sup>). This portal covers all relevant fields and is a good resource for legal documentation. The INSPIRE geoportal is a separate site that contains data for some of the fields, while other data can be found on the national open data portal. There is no link between the INSPIRE portal and the environmental portal. ANPM's portal has a viewing service. However, at the moment, it offers little in terms of monitoring data or historical datasets. Overall, the site appears to be a work in progress. It is well structured and easy to navigate, the search function works well and it is easy to access the information available, which spans many fields. ANPM has a good portal — it just needs to incorporate the field-specific data — ideally including proper metadata and licencing.

Romania's performance on implementing the INSPIRE Directive needs to be improved. The accessibility of spatial data through 'view and download' services is poor. Romania performance has been reviewed based on

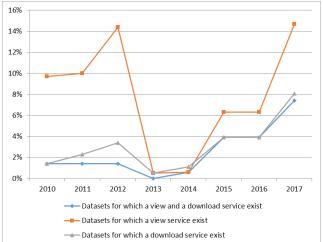
2% 0% 2010 2015 2016 2017 2011 2012 2013 2014 Datasets for which a view and a download service exist Datasets for which a view service exist Datasets for which a download service exist **Public participation** In Romania, public participation is mainly regulated in relation to plans, programmes (Governmental decision

564/2006 and Governmental decision 1076/2004) and projects (Governmental decision 445/2009/). For all new investments during the period 2017-2018, the main applicable regulations in Romania were Government Decision 445/2009 and Ministerial Order 135/2010 which approves the methodology used for applying environmental impact assessments for public and private projects. Moreover, sectoral provisions in the area of nature protection exist.

The transposition of the revised EIA 2014/52/EU has been fulfilled in December 2018<sup>136</sup>. The new EIA Law should ensure the possibility for the public to participate

its 2016 implementation report<sup>133</sup> and its most recent monitoring data from 2017<sup>134</sup>. Romania has made good progress in data identification and documentation of data. Additional efforts are needed to make data accessible through services. Romania also has to make additional efforts to improve the conditions for data reuse and prioritise environmental datasets in the implementation of environmental legislation. particular, it needs to prioritise datasets identified as high-value spatial datasets<sup>135</sup>.

Figure 23: Access to spatial data through view and download services in Romania (2017)



<sup>&</sup>lt;sup>129</sup> The Aarhus Convention, the Access to Environmental Information Directive 2003/4/EC and the INSPIRE Directive 2007/2/EC together create a legal foundation for the sharing of environmental information between public authorities and with the public. This EIR focuses on INSPIRE.

<sup>&</sup>lt;sup>130</sup> The guarantees are explained in Commission Notice on access to justice in environmental matters, OJL 275, 18.8.2017 and a related Citizen's Guide.

<sup>&</sup>lt;sup>131</sup> This EIR looks at how well Member States explain access to justice rights to the public, and at legal standing and other major barriers to bringing cases on nature and air pollution.

<sup>&</sup>lt;sup>132</sup> National Environmental Protection Agency, <u>national environmental</u> portal.

<sup>&</sup>lt;sup>133</sup> INSPIRE RO <u>country sheet</u> 2017.

<sup>&</sup>lt;sup>134</sup> INSPIRE monitoring dashboard.

<sup>135</sup> List of high value spatial data sets.

<sup>&</sup>lt;sup>136</sup> Law No. 292/2018 on the assessment of the impact of certain public and private projects on the environment was adopted and published on 10/12/2018 in the Romanian Official Journal (Official Gazette No. 1043, Part I).

in the EIA procedure before the final development consent is granted.

However, limited information exists on how public participation works in practice and whether it covers environmental policy overall and not just the policy areas mentioned above.

The Eurobarometer figures from 2017 show that people in Romania agree relatively strongly (78 % of respondents) that an individual can play a role in protecting the environment. This percentage has decreased compared to 2014.



### Access to justice

Significant progress is needed in informing the general public about effective remedies for individuals and environmental associations on access to justice in environmental matters under Romanian and EU law. The official website of the Ministry of Justice contains general information, not tailored, for access to justice in environmental issues.

According to Article 5 of the framework Environmental Protection Law — Government Emergency Order no 195/2005<sup>137</sup>, 'the State recognises to any person the right to a healthy and ecologically balanced environment and guarantees: ... d) The right to appeal directly or through the environmental organisations to the administrative and judicial authorities regarding environmental issues, regardless of whether an injury or damage occurred; e) The right to compensation for the damages suffered'. These rights apply both to individuals and organisations. It is important to point out that, despite these rules, environmental cases are rarely brought before the Romanian courts. However, important cases have been brought to the Romanian courts in the field of nuclear activities and mining activities.

The environmental permit and other regulatory decisions in the approval procedure, as well as the Natura 2000

approvals issued for a project can be challenged in court by third parties. However, the environmental information made available to the public is not easily found on the websites of local environmental protection agencies, as generally the structure of their websites is rather poor and searches are difficult to carry out. A complaint to the court can be filed within 6 months of the answer from the administrative authority being received or from when it should have been received.

In Romania, the costs consist of: (i) the court's fee, (ii) the lawyer's fee, and (iii) the judicial expert's fee. The 'loser pays' principle applies. Court fees are relatively low and are regulated by law<sup>138</sup>. Article 90 of the Romanian Civil Procedure Code<sup>139</sup> facilitates the access to justice of the public by either sparing/reducing/staggering/delaying the Court fees, or by nominating a public defender (court-appointed attorney) when the individual would not be able to pay the amount demanded.

### 2019 priority actions

- Improve access to spatial data and services by making stronger links between the central INSPIRE website and regional portals. Identify and document all spatial datasets required for the implementation of environmental law<sup>140</sup>, and make the data and documentation at least accessible 'as is' to other public authorities and the public through the digital services set out in the INSPIRE Directive;
- Improve the legal framework and/or the practical application (e.g. by setting up a single webpage) to facilitate public participation across the board when implementing EU legislation that could have a negative impact on the environment, in line with the Aarhus Convention;
- Better inform the public about their rights to access justice, notably in relation to air pollution and nature;
- Ensure that there is legal standing for environmental NGOs to bring legal challenges on air pollution and nature cases.

<sup>&</sup>lt;sup>137</sup> Romanian Environmental Protection Law

<sup>&</sup>lt;sup>138</sup> Emergency Governmental Ordinance number 80/2013.

 $<sup>^{139}</sup>$  The Civil Procedure Code republished 2015. Law 134/2010 on the Civil Procedure Code republished

<sup>&</sup>lt;sup>140</sup> European Commission, <u>INSPIRE</u>.

#### **Compliance assurance**

Environmental compliance assurance covers all the work undertaken by public authorities to ensure that industries, farmers and others fulfil their obligations to protect water, air and nature, and manage waste<sup>141</sup>. It includes support measures provided by the authorities, such as:

- (i) compliance promotion<sup>142</sup>;
- (ii) inspections and other checks that they carry out, i.e. compliance monitoring<sup>143</sup>; and
- (iii) the steps that they take to stop breaches, impose sanctions and require damage to be remedied, i.e. enforcement<sup>144</sup>.

Citizen science and complaints enable authorities to focus their efforts better. Environmental liability<sup>145</sup> ensures that the polluter pays to remedy any damage.

#### **Compliance promotion and monitoring**

Online information is given to farmers on how to comply with obligations on nitrates and nature. The quality of this information is an indicator of how actively authorities promote compliance in subject-areas with serious implementation gaps. Romania's agricultural paying agency (*Agentia de Plati si Interventie pentru Agricultura*<sup>146</sup>) publishes guides<sup>147</sup> and booklets<sup>148</sup> with information on requirements to be complied with by farmers in order to receive payments, including on fertiliser use and manure storage according to the Nitrates Directive and obligations under Natura 2000.

The National Research Institute for soil study, agrochemistry and environmental protection published guidance on fertilise use<sup>149</sup>.

Major industrial installations can be a serious pollution risk. Public authorities must have plans in place to inspect these installations and to make individual inspection reports available to the public<sup>150</sup>. The Romanian National Environmental Guard published a strategic plan for 2014-

2016<sup>151</sup>. There does not seem to be any information given by authorities on operational inspection plans. Individual inspection reports do not appear to have been published. However, the NEG publishes monthly activity reports with information on the number of inspections carried out, the number of warnings issued and fines imposed<sup>152</sup>.

#### Citizen science and complaint handling

Engaging the general public through citizen science, can increase knowledge about the environment and help the authorities in their work. Romania recognises the added value of public engagement in environmental compliance monitoring. For instance, a map-based tool<sup>153</sup> called 'Forest Inspector' and a mobile application developed by the Ministry of Forests ensures that the public are involved in the fight against illegal logging.

In 2018, the National Environmental Guard launched the INCOLAB – a mobile application that allows citizens to report cases that might affect protected habitats or species in a certain protected area (such as dead animals, poaching, nets destroyed, cutting of trees, fires and pollution) to responsible authorities<sup>154</sup>.

The availability of clear online information about how to make a complaint shows how responsive authorities are to complaints from the public. In Romania, the National Environmental Guard set up a webpage for written complaints <sup>155</sup>, with information regarding the applicable legislation. Complaints may be submitted online <sup>156</sup> or via telephone. Complaints submitted can include those concerning the alleged failure of an environmental administration to deal with an environmental nuisance from a waste facility or industrial installation or an alleged failure by an environmental authority to address damage to a Natura 2000 site. The NEG publishes complaints statistics. Some NGOs<sup>157</sup> also offer tools to help people submit environmental complaints.

#### **Enforcement**

When monitoring identifies problems, a range of responses may be appropriate. The NEG activity reports include some statistics on warnings, fines and criminal complaints submitted to the competent prosecutor

<sup>&</sup>lt;sup>141</sup> The concept is explained in detail in the Communication on 'EU actions to improve environmental compliance and governance'
<u>COM(2018)10</u> and the related Commission Staff Working Document, <a href="https://swb/2018)10">SWD(2018)10</a>.

 $<sup>\</sup>overline{^{142}}\,\text{This}\,\overline{\text{EIR}}$  focuses on the help given to farmers to comply with nature and nitrates legislation.

 <sup>143</sup> This EIR focuses on inspections of major industrial installations.
 144This EIR focuses on the availability of enforcement data and coordination between authorities to tackle environmental crime.

<sup>&</sup>lt;sup>145</sup> The Environmental Liability <u>Directive 2004/35/EC</u>, creates the framework.

<sup>&</sup>lt;sup>146</sup> Romania's agricultural paying agency.

<sup>&</sup>lt;sup>147</sup>Romania's agricultural paying agency, guides.

<sup>&</sup>lt;sup>148</sup> Romania's agricultural paying agency, booklets.

<sup>&</sup>lt;sup>149</sup> The National Research Institute for soil study, agro-chemistry and environmental protection, <u>guidance on fertilise use</u>.

<sup>&</sup>lt;sup>150</sup> Article 23, <u>Industrial Emissions Directive</u>, 2010/75/EU.

<sup>&</sup>lt;sup>151</sup> The Romanian National Environmental Guard, <u>Strategic plan for</u> 2014-2016

<sup>152</sup> http://www.gnm.ro/sitenou/note\_prim.php?id=2

<sup>&</sup>lt;sup>153</sup> The Ministry of Waters and Forests, a map-based tool.

<sup>&</sup>lt;sup>154</sup>the National Environmental Guard., NCOLAB app. It also provides the map of two protected areas located on Danube border area as well as information on the species that might live there (name, scientific name, short description and photos);

<sup>&</sup>lt;sup>155</sup>The National Environmental Guard, web page for written complaints.

<sup>&</sup>lt;sup>156</sup> The National Environmental Guard, <u>online submission</u>

<sup>&</sup>lt;sup>157</sup> The National Environmental Guard, <u>complaints statistics</u>.

office. However, there is no structured publicly available information on whether penalties have been imposed, if compliance was attained after follow-up measures and if enforcement action had been taken. Information on responses to cross-compliance breaches on nitrates and nature is also lacking.

Tackling waste, wildlife crimes and other environmental offences is especially challenging. It requires close cooperation between inspectors, customs authorities, police and prosecutors. The NEG's cooperation with several relevant authorities, including the gendarmerie, and NGOs and universities, is based on memoranda of understanding and protocols which are publicly available <sup>158</sup>.

#### **Environmental liability**

The Environmental Liability Directive (ELD) establishes a framework based on the 'polluter pays' principle to prevent and remedy environmental damage. The 2017 EIR focused on gathering better information on environmental damage, on financial security and guidance. The Commission is still collecting evidence on the progress made.

#### 2019 priority actions

- Better inform the public about compliance promotion, monitoring and enforcement. At a minimum this should involve providing more online information on inspection plans and reports on industrial inspections. Similarly, it should involve publishing information on the outcomes of enforcement action and on the follow-up to detected cross-compliance breaches on nitrates and nature.
- Improve financial security for liabilities and ELDguidance and publish information on environmental damage.

# Effectiveness of environmental administrations

Those involved in implementing environmental legislation at EU, national, regional and local levels need to have the knowledge, tools and capacity to ensure that the legislation and the governance of the enforcement process bring about the intended benefits.

#### Administrative capacity and quality

As already underlined in the 2017 EIR report, there are still issues to be dealt with related to administrative capacity, and this can still be observed across all

 $^{158}\,\mbox{The National Environmental Guard, memoranda of understanding and protocols.}$ 

environmental fields.

Implementation remains the main challenge as indicated by the fact that Romania, despite only joining the EU in 2007, is among the countries with the highest number of environmental infringements, mainly in the areas of (i) waste and wastewater management (e.g. operation of substandard landfills and lack of urban waste water facilities), (ii) air pollution (e.g. PM<sub>10</sub> emission limit values being exceeded), (iii) non-adaptation of old large combustion plants to EU standards, and (iv) authorisation of projects without the necessary assessments and permits.

There are a high number of public complaints.

The implementation of the legislation on the ground is still a challenge, prompted by, among other things, a lack of planning, coordination and appropriate funding. The gap in implementing legislation is problematic in several areas, particularly waste management and waste water treatment. Romania is encouraged to make better use of EU funds to address these challenges and improve the coordination of its administrative mechanisms and ensure that projects in the environmental field are better prepared and prioritised.

Central, regional and local administrations must have the ability to carry out their own tasks and work effectively with each other within a system of multi-level governance.

Overall, the implementation of legislation has been very slow. The projects' implementation, including environmental ones, has been seriously delayed for reasons such as insufficient preparation on land acquisition, relocation of utilities, delayed/contested tendering procedures and general contract management difficulties due to insufficient administrative and technical capacity.

#### Use of the EIR peer-to-peer tool by Romania

The first TAIEX-EIR<sup>159</sup> peer 2 peer event took place on 22-24 January 2018 in Bucharest at the request of the Romanian Ministry of Environment. The request was related to the need to increase expertise on landfill closure and rehabilitation, to address an ongoing infringement procedure. The Commission selected experts from Ireland to advise their Romanian counterparts as Ireland successfully managed to overcome a similar critical situation in waste management 10-15 years ago. The Irish experts shared their experience with the Ministry of Environment and in a workshop with a broader range of participants from the National Environmental Protection Agency, National Environmental Guard and county councils. This field visit

 $<sup>^{159}</sup>$  TAIEX stands for Technical Assistance and Information Exchange.

helped to exchange knowledge on how to overcome legal and financial hurdles to properly closing down landfills and to ensuring sufficient aftercare. Moreover, the Irish experts provided advice on how to strategically approach the challenge and practically manage this process.

#### 2019 priority action

 Administrative capacity and the coordination/governance must be improved. This will also help address gaps in implementing legislation.

#### **Coordination and integration**

As mentioned in the 2017 EIR, the transposition of the revised EIA Directive<sup>160</sup> into national law provides an opportunity for countries to streamline their regulatory framework on environmental assessments. Romania has notified the transposition of the Directive in December 2018.

The Commission encourages the streamlining of the environmental assessments to reduce duplication and avoid overlaps in environmental assessments for projects. Streamlining helps to reduce unnecessary administrative burden. It also accelerates decision making, without compromising the quality of the environmental assessment procedure 161. Romania has introduced the streamlining of environmental assessments under the EIA Directive, the Habitats Directive, Water Framework Directive and the Industrial Emissions Directive, which has enabled funds to be used.

# Adaptability, reform dynamics and innovation (eGovernment)

Romanian public authorities are increasingly adopting and using electronic services to interact with public or regulated entities online. However, for Digital Public Services, Romania had a score of only 0.27/1 based on Europe's Digital Progress Report 2017, this is lower than the EU28 average  $(0.55/1)^{162}$ . In the DESI Report 2018, Romania had a score of 41 out of 100 on digital public services, higher than the EU average of  $58^{163}$ .

#### **Enabling financing and effective use of funds**

<sup>160</sup> Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment.
<sup>161</sup> The Commission issued a guidance document in 2016 regarding the setting up of coordinated and/or joint procedures that are simultaneously subject to assessments under the EIA Directive, Habitats Directive, Water Framework Directive, and the Industrial Emissions Directive, OJ C 273, 27.7.2016, p. 1.

Although substantial EU funds have been made available to improve the situation in a number of environmental areas, it seems that, overall, there is considerable room for improvement in terms of administrative capacity and in preparing, operating and prioritising projects. Therefore, while requirements in the environmental field are immense, there are risks of funds being lost through either the decommitment of funds allocated, or the reallocation of funds to other priorities. Public investment is characterised by low efficiency particularly in preparing and prioritising projects.

Only a limited number of new environmental projects has been developed and approved in the current programming period. The major proportion of the expenditures claimed by the beginning of 2019 comes from the projects phased from the previous programming period.

#### 2019 priority action

 Romania can further improve its overall environmental governance (such as transparency, citizen engagement, compliance and enforcement, as well as administrative capacity and coordination).

# **International agreements**

The EU Treaties require the EU environmental policy to promote measures at international level to deal with regional or worldwide environmental problems.

The EU is committed to strengthening environmental law and its implementation globally. It therefore continues to support the Global Pact for the Environment process, which was launched by the United Nations General Assembly in May 2018<sup>164</sup>. The EIR is one of the tools to ensure that the Member States set a good example by respecting European Union environmental policies and laws and international agreements.

Forests: EU Timber Regulation (EUTR)<sup>165</sup>/ Forest Law Enforcement Governance and Trade (FLEGT) Regulation<sup>166</sup>

In accordance with the EUTR, which prohibits the placing on the EU market of illegally harvested timber, EU Member States competent authorities must conduct regular checks on operators and traders, and apply penalties in case of non-compliance.

<sup>&</sup>lt;sup>162</sup> European Commission, <u>Europe's Digital Progress Report (EDPR) 2017</u> <u>Country Profile Romania</u>, 2017, p. 9,

<sup>&</sup>lt;sup>163</sup> European Commission, <u>Digital Economy and Society Index Report</u> 2018, <u>Digital Public Services</u>.

<sup>&</sup>lt;sup>164</sup> <u>UN General Assembly Resolution 72/277</u> and <u>Organizational session</u> of the ad hoc open-ended working group.

 $<sup>^{165}</sup>$  Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010

<sup>&</sup>lt;sup>166</sup> Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community.

In the period March 2015 to February 2017, Romania conducted 40 % of the 3 759 checks that were planned for operators dealing in domestic timber and 63 % of the 126 checks planned for operators importing timber. These numbers should be correlated to the estimated number of Romanian operators who place timber on the EU market for the first time<sup>167</sup>. Romania also conducted 550 checks on traders<sup>168</sup>. Romania reported issuing the highest number of penalties to operators, primarily related to domestic timber<sup>169</sup>.

On cooperation (Article 12 EUTR), Romania reports collaboration between various government institutions. The country has also cooperated with other EU competent authorities, mainly through the FLEGT/EUTR expert group meetings and the ad hoc expert group on FLEGT.

# Genetic resources: Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising (ABS)<sup>170</sup>

Under the EU ABS Regulation, which transposes the required compliance measures under the Nagoya Protocol into the EU legal system, Romania has appointed competent authorities for genetic resources and has applied sanctions for infringements of the Regulation. The government is still working towards setting up a risk-based plan for checks. However, Romania has not submitted a due diligence declaration to date, nor has it applied any penalties. Romania has still not submitted its first ABS Regulation report to the Commission. Therefore, the country needs to comply with its reporting obligation.

# International wildlife trade: the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)<sup>171</sup>

In line with the obligations laid down in the Basic Regulation<sup>172</sup>, which transposes the major obligations of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) into EU law,

the international wildlife trade and regularly processes requests for import, export, re-export, and intra-EU trade documents.

Reports on seizures of illegal wildlife shipments, in

Romania has established relevant national authorities for

Reports on seizures of illegal wildlife shipments, in particular those reported every 6 months to TRAFFIC (the wildlife trade monitoring network) under its contract with the Commission, and those exchanged through the EU-TWIX platform developed to assist national law enforcement agencies, including CITES Management Authorities and prosecutors, in their task of detecting, analysing and monitoring illegal activities related to trade in fauna and flora covered by the EU Wildlife Trade Regulations), show the extent of the customs authorities' activity.

To ensure the EU wildlife action plan (2016) is fully implemented, Romania has notably been involved in the project 'LIFE for Danube Sturgeons<sup>173</sup>', which aims to improve the enforcement of laws and regulations against sturgeon poaching in Bulgaria, Romania, Serbia and Ukraine.

### 2019 priority action

 Increase efforts to be party to relevant multilateral environmental agreements, by ratifying the remaining agreement.

# Sustainable development and the implementation of the UN SDGs

Sustainable development links environmental, social and economic policies in a coherent framework and therefore helps to implement environmental legislation and policies.

According to Romania's Department for Sustainable Development, the current institutional structure is not appropriate for the implementation and monitoring of SDGs<sup>174</sup>. A project to create special structures to implement the SDGs is to be designed and put in place.

Romania's national sustainable development strategy is being revised. A voluntary national review on the implementation of the SDGs was submitted to the UN in  $2018^{175}$ .

 $<sup>^{167}</sup>$  Based on customs' data, it was estimated that 4 372 Romanian operators placed domestic timber on the EU market for the first time and 162 imported timber.

<sup>&</sup>lt;sup>168</sup> Traders were checked by 19 countries, with numbers of checks ranging from 1 (Denmark, France, Luxembourg) to 747 (Cyprus). 12 out of 19 countries conducted between 1 and 65 checks.

 $<sup>^{169}</sup>$  Romania imposed 382 penalties on operators of domestic timber and 17 penalties on operators importing timber.

<sup>&</sup>lt;sup>170</sup> Regulation (EU) No 511/2014 of the European Parliament and of the Council of 16 April 2014 on compliance measures for users from the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation in the Union Text with EEA relevance.

<sup>&</sup>lt;sup>171</sup> The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

<sup>&</sup>lt;sup>172</sup> Council Regulation (EC) No 338/97 on the protection of species of wild fauna and flora by regulating trade therein (the Basic Regulation).

<sup>&</sup>lt;sup>173</sup>EU LIFE project, <u>LIFE for Danube Sturgeons.</u>

<sup>&</sup>lt;sup>174</sup> <u>Department of Sustainable Development</u>.

<sup>&</sup>lt;sup>175</sup> Romania's voluntary national review: <u>Transformation towards a sustainable and resilient Romania.</u>