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**MINISTRY OF LABOUR, FAMILY AND
EQUAL OPPORTUNITIES**

**SECTORAL OPERATIONAL PROGRAMME
HUMAN RESOURCES DEVELOPMENT
2007 - 2013**



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Abbreviations

ACD	Administrative Capacity Development
AEM	Active Employment Measures
AMIGO	Labour Force Survey in Households
ACIS	Authority for the Coordination of Structural Instruments
CASPIS	Anti Poverty Commission and Promotion Social Inclusion
CF	Cohesion Fund
CSG	Community Strategic Guidelines
CVT	Continuous Vocational Training
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EDIS	Extended Decentralised Implementation System
EES	European Employment Strategy
EFF	European Fisheries Fund
EQFHE	European Qualification Framework in Higher Education
ERDF	European Regional Development Fund
ESF	European Social Fund
ETF	European Training Foundation
EU	European Union
GD	Government Decision
GEO	Government Emergency Ordinance
HR	Human Resources
HRD	Human Resources Development
IB	Intermediate Body
ICT	Information and Communication Technology
ILO	International Labour Organisation
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
IT	Information Technology
JAP	Joint Assessment Paper on Employment Priorities
JIM	Joint Inclusion Memorandum
KAI	Key area of intervention
LEAP	Local Educational Action Plan
LFS	Labour Force Survey
LLL	Life Long Learning
MA	Managing Authority
MoERY	Ministry of Education, Research and Youth
MoLFEO	Ministry of Labour, Family and Equal Opportunities
MoEF	Ministry of Economy and Finance
MSMETTLP	Ministry for Small and Medium Sized Enterprises, Trade, Tourism and Liberal Professions
NAE	National Agency for Employment

NAPCR	National Authority for Protection of Children Rights
NAPD	National Authority for Persons with Disabilities
NAPE	National Action Plan for Employment
NAPPRM	National Authority for Public Procurement Regulation and Monitoring
NCAVT	National Council for Adult Vocational Training
NCTVED	National Centre for Technical and Vocational Education Development
NDP	National Development Plan
NGO	Non Governmental Organisation
NIRFLSP	National Institute for Research in the Field of Labour and Social Protection
NIS	National Institute for Statistics
NMS	New Member States
NRDP	National Rural Development Programme
NSRF	National Strategic Reference Framework
ODL	Open Distance Learning
OECD	Organisation for Economic Cooperation and Development
OP	Operational Programme
OPTA	Operational Programme Technical Assistance
PA	Priority Axis
PES	Public Employment Service
PhD	Doctorate
PIA	Public Internal Audit
REAP	Regional Education Action Plan
R&D	Research and Development
RDI	Research, Development and Innovation
RO	Romania
ROP	Regional Operational Programme
SAP	School Actions Plans
SEN	Special Educational Needs
SMEs	Small and Medium sized Enterprises
SOP	Sectoral Operational Programme
SOP IEC	Sectoral Operational Programme Increasing of Economic Competitiveness
SWOT	Strengths, Weaknesses, Opportunities, Threats
TVET	Technical Vocational Education and Training
VET	Vocational Education and Training
WB	World Bank
WHO	World Health Organization

Introduction

The Sectoral Operational Programme Human Resources Development (SOP HRD) sets the priority axes and the major intervention areas of Romania in the human resources field in order to implement the EU financial assistance through the European Social Fund, within the frame of „Convergence” objective, for the programming period 2007-2013.

Elaborated in the context of National Development Plan 2007-2013 and in line with the Priorities of the National Strategic Reference Framework, SOP HRD is an important instrument in supporting the economic development and structural changes. Moreover, the investments in human capital will complement and will confer sustainability to the increase of productivity on a long-term. A highly qualified labour force, with a high level of education, having the capacity to respond to the new technologies and to the changing needs of markets, is essential for a competitive and dynamic economy. Romania will promote active labour market policies to increase the adaptability and flexicurity of labour force. It is envisaged to be reached a higher level of participation on the labour market, as a base for a competitive knowledge based economy.

SOP HRD was elaborated under the co-ordination of Ministry of Labour, Family and Equal Opportunities. During the consultations there were involved the Ministry of Economy and Finance, National Agency of Employment, Ministry of Education, Research and Youth, Ministry of Internal Affairs and Administrative Reform, Ministry of Development, Public Works and Housing, Ministry of Agriculture and Rural Development, Ministry of Public Health, National Institute for Statistics, National Institute for Scientific Research in the field of Labour and Social Protection, Anti-Poverty Commission and Promotion of Social Inclusion, National Adults Training Board, National Agency for Equal Opportunities, Ministry for Small and Medium Sized Enterprises, Trade, Tourism and Liberal Professions, other line ministries and agencies. There also took place large consultations with social partners, civil society organisations, public administration and other relevant stakeholders.

The close consultations between the MoLFEO and the representatives of the Directorate General for Employment, Social Affairs and Equal Opportunities within the European Commission had an important role in finalising the structure and content of the SOP HRD.

The objectives and the aim of SOP activities were established on the basis of the analysis of the human resources development in Romania and were defined in concordance with the following documents:

- Joint Assessment Paper on Evaluation of Employment Policies (JAP 2006);
- National Action Plan for Employment 2004-2005;
- Joint Inclusion Memorandum on Social Inclusion (JIM 2006);
- National Strategy on Employment 2005-2010;
- Pre-accession Economic Programme 2005;
- Strategy for Continuous Vocational Training on short and medium term 2005 – 2010;
- National Strategy for developing social services 2005;
- National Strategy concerning the prevention and fight against domestic violence phenomena 2005;
- National Strategy on social inclusion of young over 18 leaving the State Child Protection System 2006-2008;
- National Strategy for developing the social assistance system for elderly persons 2005 – 2008;
- Government Strategy for improving Roma situation 2001;

- National Strategy for protection, integration and social inclusion of disabled persons in 2006-2013 period “Equal opportunities for disabled persons – towards a society without discrimination“;
- National Strategy for Equal Opportunities between Women and Men;
- Strategy for Pre-university Education Development 2001-2010;
- Strategy for decentralisation of education 2005;
- Strategic Guidelines for Education and Research 2006-2008.

The general objective of SOP HRD is the development of human capital and increasing competitiveness, by linking education and lifelong learning with the labour market and ensuring increased opportunities for future participation on a modern, flexible and inclusive labour market for 1,650,000 people.

The specific objectives can be summarised as follows:

- Promoting quality initial and continuous education and training, including higher education and research;
- Promoting entrepreneurial culture and improving quality and productivity at work;
- Facilitating the young people and long term unemployed insertion in the labour market;
- Developing a modern, flexible, inclusive labour market;
- Promoting (re)insertion in the labour market of inactive people, including in rural areas¹;
- Improving public employment services;
- Facilitating access to education and to the labour market of the vulnerable groups.

The ESF intervention in Romania shall support the achievement of the general objective and the specific objectives in the field of human resources development, making a real contribution to the implementation of European Employment Strategy and to the overall objective of growth and jobs.

¹ *Rural area* refers to rural localities as defined under the Romanian Law No 350 / 2001 on spatial planning and urbanism and Law No 351/2001 for approving the National Spatial Plan – Section IV – Localities network, namely the localities where either the majority of population is occupied in agriculture, forestry or fisheries, or in terms of endowment with public utilities, do not fulfill the legal obligations to be declared as urban localities, even if the majority of population is occupied in other sectors than those mentioned before. Thus, from an administrative point of view, the Romanian territory is organized, at NUTS5 level, in 319 towns making up the urban area and 2,851 communes, making up the rural area (data for 31 December 2005). In their turn, communes are mostly made up of more than one village (12,946 villages in total) without any administrative responsibilities.

SOP HRD ex-ante evaluation

In accordance with Article 47, par. 2 of the Council Regulation (EC) 1083/2006, this Programme has been subject to an ex-ante evaluation in order to provide a basis for the assistance. The ex ante evaluation was carried out externally by a Consortium lead by Panteia (NL) under a PHARE contract. The ex-ante evaluation exercise was an interactive process. Seminars, workshops, debriefing meetings and bilateral discussions brought together the planners, evaluators and other stakeholders to improve the quality of programming. The outcome of the ex-ante evaluation is incorporated into the programme document and is designed to contribute to the successful and efficient implementation.

The ex-ante evaluation addressed the following main questions:

- *Relevance*: to what extent are the programme's objectives relevant in relation to the evolving needs and priorities at national and EU level?
- *Effectiveness*: how realistic is the programme in achieving its specific and global objectives by 2013 or earlier?
- *Efficiency*: how well are the resources (inputs) allocated with respect to outputs or results?
- *Consistence and Coherence*: are the proposed objectives and measures logically linked to the socio-economic analysis, are they mutually consistent (consistence) and are they well embedded in the regional, national and Community (e.g. Lisbon Objectives) policy objectives and interventions (Coherence)
- *Utility*: are the expected and unexpected effects realistic and globally satisfactory in the context of wider social, environmental and economic needs?
- *Sustainability*: will the effects obtained in the proposed programmes remain, even after the end of the programme without further public funding?
- *Management and monitoring arrangements*: how they may affect the achievement of programme objectives & contribute the chosen processes to positive results?

The ex-ante evaluation contains the following five main components:

- A. Appraisal of the socio-economic analysis and the relevance of the strategy to the needs identified;
- B. Evaluation of the rationale of the strategy and its consistency;
- C. Appraisal of the coherence of the strategy with regional and national policies and the Community Strategic Guidelines;
- D. Evaluation of the expected Results and Impact;
- E. Appraisal of the proposed implementation systems.

The main findings and recommendations of the ex-ante evaluation concluded that, in general, the Sectoral Operational Programme for Human Resource Development 2007-2013 may be qualified as a document that meets the EU standards:

- It contains an extensive quantitative analysis on the Romanian labour market, on its educational system and on the position of vulnerable groups.

- The analysis directs itself at the important strengths and many weaknesses, of which low participation on the labour market, including the backwards situation of rural areas, and the low participation in CVT seems the most important elements.
- The strategy includes the interventions needed to address the EU policy objectives (CSG, Lisbon Agenda and Integrated Guidelines) in the field of labour market, educational and social inclusion policies.
- The strategy is translated into a proposed set of Priority Axes and Key Areas of Intervention, which will tackle the weaknesses of the Romanian human resources development.
- The strategy and interventions are coherent with EU and national policies, including complementarity with the other Operational Programmes and EAFRD and EFF financed operations. As far as the regions, the Programme will link itself with regional initiatives in the field of HRD.
- The document also contains the main outlines of SOP HRD implementation.

The ex-ante evaluator presented his preliminary conclusions and recommendations within two draft reports, for which two debriefing meetings were organized in October, discussing the overall analysis part and the SOP HRD objectives as they were formulated at that moment, as well as in December, discussing the Strategy and the Priority Axes proposed.

All of the debatable points were clarified during these two meetings and other bilateral meetings that took place between the evaluator and the representatives of the SOP Managing Authority. Most of the ex-ante recommendations have been taken into account in the process of finalising the OP and only a few have been retained by the evaluator in the final ex-ante evaluation report, based on the clarifications and underpinned explanations provided by the SOP MA.

The main recommendations made by the ex-ante evaluators related to updating of statistics and bringing further information (labour productivity, migration a/o), adding new elements in the SWOT analysis, lessons learned on Phare experience, improvement of the rationale of the strategy and reflect the complementarities and synergies with the other OPs (especially the ROP and the SOP IEC), better quantification of the main programme objective (the amount of persons covered by the programme), improved explanations of the results for the main key areas of intervention, as well as more information on the implementation of operations (ageing, partnership etc). All recommendations have been included in the SOP HRD.

Strategic Environmental Assessment

Given the nature of the European Social Fund, focussing on immaterial operations related to Human Resource Development, this Operational Programme does not set the framework for operations likely to have significant environmental effects, such as infrastructure projects, especially the ones listed, Annexes I and II to Directive 85/337/EEC as amended by Directive 97/11/EC and 2003/35/EC.

Consequently, the Managing Authority considered - and the Environmental Authority agreed - that there was no need for a Strategic Environmental Assessment of this OP under the Directive 2001/42/EC.

1. CURRENT SITUATION ANALYSIS

1.1 Education

- **Structure of the education system**

The benchmarks for the education and training systems set up by the European Commission in 2002, at the European Council held in Barcelona, as well as the decisions made at the European level in the “Bologna process” triggered the reform of the education system in Romania.

The current structure of education and initial training system aims at ensuring flexibility and openness of individual educational routes (see Table 1, Annex 1). The current educational model provides for students the opportunity to either attend higher levels of education or to enter in the labour market (after 10th grade). Within the education system, the initial VET provides both academic and professional opportunities as presented in the Box 1, Annex 1. The recognition and validation of prior learning are not operational at the system level. Validation of prior learning operates in initial VET. Also, according to the existing methodology, validation of prior learning is taken into account in the development of the second chance education, contributing thus to higher flexibility and increased access to such programs.

- **Participation in education**

Data available for the school year 2005/2006 indicate a decrease of enrolments (ISCED 0-5) by 4.46% as compared to the school year 2000/2001. The most severe decrease is recorded in primary schools and gymnasium enrolments, respectively by 13.88% and 27.28% in the reference period (2000/2001 – 2005/2006); by residence, in both cases the decrease is higher in urban areas. Low enrolment is also recorded in post high-school education, due to the financing system based on the contribution of interested companies or individuals. In the reference period, the highest increase is recorded in the vocational education (School of Arts and Trades and the Completion year) by 18.73% due to the restructuring² of the initial VET, operational since 2003/2004; by residence, the situation is favourable to rural areas. The demographic descending trends in urban areas and the increased schooling capacity in vocational education in rural areas are the main factors underpinning this different pattern of enrolment figures. In case of university education, the enrolments increased, in the reference period, by 35.48% (Table 2, Annex 1).

According to the available demographic estimates, the school age population will record a severe decrease by about 20% during 2005-2013 (Tables 3.1 and 3.2, Annex 1). This forecasted trend will raise the issue of restructuring the school network and redesigning the HR management in education and initial VET.

The gross enrolment rate at all levels of education (ISCED 1-6) recorded a continuously positive trend from 66.5% in 2000/2001 up to 72.9% in 2005/2006 (Table 4, Annex 1).

Participation at different education levels and by residence recorded various trends during the reference period as illustrated in Table 5, Annex 1. These developments lead to the need for school networks restructuring and social support programs dedicated to the access and participation to education in rural areas, in particular at ISCED 3 level.

² School of Arts and Trades and the Completion year are part of the progressive professional route which is offering a double qualification, with academic purposes and with professional goal

The difference of about 27 percent points in the gross enrolment rate in high schools and vocational education by residence (86.6% in urban areas as compared to 59.9% in rural areas in 2005/2006, as presented in Chart 1, Annex 1 affects the educational attainment of the population in rural areas. The existing gap indicates that a large proportion of the pupils from rural areas become early school leavers.

In case of **rural areas**, problems of access to education are due to poor access possibilities and learning conditions, poverty, and the relatively high costs of education (including basic education) that this community cannot afford. The relatively lower share of qualified teaching personnel in rural areas as compared to urban areas remains among the factors with negative influence for ensuring *access to quality education* in rural areas.

In case of the **Roma community**, almost 12% of the population in the 7-16 year age group dropped out school before graduating compulsory education and about 18% are not enrolled and are not attending any form of education. As a whole, about 80% of the persons not attending education are Roma population³ and 38.6% of the Roma are functional illiterate⁴. Data available on Roma educational attainment are limited, since the official statistics do not provide breakdowns of various indicators by Roma, but by gender and area of residence.

The above mentioned studies indicate that, additionally to the economic situation of Roma community, the educational attainment/background of older Roma generations and traditions seriously influence the low participation in education of Roma children. Also, the absence of pre-school education and poor Romanian language speaking abilities of most Roma children negatively affect their performance in school. Discrimination and segregation are sensitive issues in case of equal access and participation in education of Roma. Generally, Roma population lives at outskirts, ill famed neighbourhoods. The schools located in these areas, in which Roma children are learning, provide poor learning conditions and education; the average rate of repeating is about 11.3% (MoERY Statistics), far above the national average indicator (3.52% in 2005/2006). Mentality of the majority population towards Roma represents another issue that may nourish discrimination/segregation (for detailed presentation see Box 2, Annex 1).

Low participation in education is recorded, also, in case of children with **special educational needs** (SEN). The limited stock of knowledge of teaching personnel in mainstream schools in working with students with disabilities, improper educational infrastructure and existing communication shortcomings between school and community contribute to the increase of the number of children with disabilities not attending to formal education and to the absence of monitoring of their integration in mainstream education. An important cause generating poor social inclusion rate is the traditional educational segregation of persons with disabilities.

The practice of isolating children with slight disabilities into special schools has stopped beginning with 2001, following implementation of a program which, although successful in integrating a number of 18,158 children with disabilities into the mainstream education, has failed to simultaneously adapt school curricula, train teachers in acquiring special skills to work with children with disabilities and adopt a supportive attitude. In 2002, 4,400 children

³ Ministry of Education and Research, Institute for Educational Sciences, Research Institute for the Quality of Life, UNICEF, "Participation in education of Roma children", Bucharest, 2002, p.47;

⁴ In the school year 2002/2003, Roma pupils represented about 4.23% of the total enrolments in compulsory education, at national level. The participation in education of Roma pupils is lower in case of pre-school education as compared to primary education. Similarly, after primary education, the participation in education of Roma pupils continuously decreases. At the moment, there are very few studies and qualitative analysis on Roma participation to education and educational attainment. Source: „Roma people in Romania”, CASPIS;

with special needs were enrolled in the mass education system. The educational policy pursued by MoERY aims at modernising and restructuring the “special education” (education for children with special educational needs/disabilities) so as to create the premises for the beginning of school life in the nearest public school and for quality and diversified educational support services for the target groups (see Box 3, Annex 1). During the last years specific projects aiming at development of “inclusive schools” were developed in Romania. Despite these efforts, Romanian society preserved its traditional segregation mentality, and the best practices derived from these projects could not be extended at national level.

With regards to the increasing of access to education, in the period 2002-2006, most of the actions have been targeted to the curriculum development, expanding and increasing flexibility of second chance education, training of the teachers, training of school mediators and school mentors. Starting with 2006, these actions were significantly complemented by measures for increasing accessibility of the educational infrastructure and improving learning conditions: investments in the modernisation of the educational infrastructure and provision of school transportation facilities. Efforts in this respect need to be continued after 2007.

Charts 2 and 3 in Annex 1 show that, the drop-out rate in primary school and gymnasium increased by 2.8 times in 2004/2005 as compared to 2000/2001. In case of gymnasium, the drop out increased by 3 times in the reference period. Available findings indicate that, in case of children living in poor families, the chances of school drop-out is 3 times higher as compared to the children living in families which are not poor and 3.5 times higher in case of children living in families affected by severe poverty.

Early school leaving is a phenomenon negatively affecting the quality and competitiveness of the human capital. The early school leaving rate increased from 22.4% in 1999 up to 23.4% in 2004 and slightly decreased in 2005 to 20.8% (Table 6 below). A significant gap between Romanian and European indicators can be noticed; the early school leaving exceeds by far the 10% EU benchmark set for 2010.

Table 6. Early school leavers (18-24 year age group) (%)

	1999	2000	2001	2002	2003	2004	2005		
	RO						RO	EU-25	EU-15
Early school leavers (18-24 years age group), by gender	22.4	23.1	21.8	22.9	22.7	23.4	20.8	15.2	17.2
Male	24.2	24.1	22.2	23.7	23.9	24.9	21.6	17.3	19.5
Female	20.4	22.0	21.4	22.1	21.5	21.8	19.9	13.1	14.9

Sources for RO: NIS, LFS annual average data; data for 2002÷2005 were weighted based on the results of the March 2002 Population and Housing Census;

Source for EU-25 and EU-15: EUROSTAT, New Cronos, annual average data 2005.

As shown in Table 6, there is a gender gap: the early school leaving rate is higher in case of male population, since many of them are leaving schools to enter on the labour market to ensure financial support for their families. Poverty, low educational attainment of parents and the risk of social exclusion are the most important factors leading to the increase of early school leaving rate⁵. Also, the surveys⁶ available identify the low attractiveness of education among the motivations for early school leaving (only 33% of the pupils surveyed consider the education provided in schools as useful for their social and professional life).

⁵ European Commission, *Study on Access to Education and Training, Basic Skills and Early School Leavers* (Ref. DG EAC 38/04), Final Report European Commission DG EAC, September 2005

⁶ Institute for Educational Sciences, “Motivation for learning and school performance”, 2004

By categories, Roma population is the group the most exposed to early school leaving⁷, and the situation is more severe in case of Roma women due to the poor living conditions and traditions. Low achieving pupils are also one of the categories exposed to early school leaving since their poor performance in school seriously affects their self esteem and motivation for learning.

Prior to 2005, at the system and policy making level, only few measures with limited impact were undertaken for reintegrating the early school leavers in formal education, either immediately, or through later education and training programs, during their active life. The high early school leaving correlated with the low number of early school leavers who re-enter in formal education are factors with strong negative effects on the quality of human capital in Romania.

Pre-school education

For tackling disadvantages affecting participation and educational attainments, European countries identified the **pre-school education** (early education) as a tool/solution⁸. The existing evidences show that if the disadvantage is tackled at the earliest age, through pre-school education, there are long-lasting benefits in terms of better achievements during individuals' further school and work careers because it is essential for the development of individuals as learners, it contributes to the prevention of early school leaving and to the increase of educational attainment and facilitates later learning. The pre-school education (ISCED 0) is part of the education and training system and it pursues the goal of the socialisation and mental, emotional and cognitive development of the children, through specific activities and tools. The enrolment rate in pre-school education increased from 66.1% in 2000/2001 to 74.7% in 2005/2006, with differences by residence in favour of urban areas (Table 7, Annex 1). The gap is explained by the higher employment rate in urban areas (which limits parents' possibilities of taking care of their children, unlike the rural areas); higher poverty in rural areas (making the relative costs of pre-school education higher at the level which the rural community cannot afford); availability of pre-school education infrastructure. A study issued by MoERY mentions the poor quality of pre-school education infrastructure (over 20% of the kindergartens has a high level of usage, insufficient sanitary facilities especially in rural areas, insufficient space for educational activities etc.) and insufficient qualified personnel⁹.

Initial VET

One of the objectives of the restructured education system, in force since the school year 2003/2004, has been to enhance the access to initial VET. The MoERY undertook measures aiming at improving access to initial education and training, as well as improving the attractiveness of VET and providing equal opportunities to VET access in disadvantaged areas (such as rural areas). The positive achievements in this respect are reflected by the fact that the number of students enrolled in vocational education route, 9th grade, increased by 3.1% in 2004/2005 as compared to 2003/2004, but it decreased by 1.5% in 2005/2006 as compared to 2004/2005) (Table 8, Annex 1).

⁷ Idem 5

⁸ European Commission, Communication from the Commission to the Council and to the European Parliament "*Efficiency and Equity in European Education and Training Systems*", Brussels, 8.9.2006, COM(2006) 481

⁹ Institute for Educational Sciences, "Study on pre-school education", 2003

The schooling capacity of the initial VET system increased substantially beginning with school year 2002/2003: from 844 school units in 2002/2003 to 1,474 school units in 2004/2005 and 1,495 in 2005/2006. Most of the increase was in rural areas: from 518 school units in 2003/2004 to 713 school units in 2005/2006. The increased number of schools is mainly a result of the reclassification of education. In some of these schools (those included in the Phare TVET projects) the learning environment has been improved by new equipment. The results achieved in 2005/2006 have been followed by a restructuring of the VET schools network having as result in 2006/2007 a total of 1,367 VET schools units, out of which 611 in rural areas. The reorganisation of the network included also transportation facilities for students in rural areas, improving thus the access conditions. These schools offer first chance education to the graduates of grade VIII in their locality, preventing additional costs that the parents have to afford for transport or accommodation in case the students should go for learning in other localities.

Since mid '90s, initial VET has been under a continuous process of reforming, aiming at modernising and better adjustment it to the demands of a society which has known major changes at economic and social level. An important component of this reform is the learning content of the initial VET based on the "life long learning" concept: it starts with development of qualifications, then, based on the vocational training standards, the curriculum is developed and finally, within the certification process, the competences (performance descriptors within the training standards) are under assessment during the final examination. In VET, the development of qualifications is organised with the direct involvement of relevant social partners. Since qualifications are not anymore linked to the type of provider (schools or private providers) or to the type of training (initial or continuing VET), their validation is the responsibility of Sectoral Committees¹⁰ that are gradually established by the National Adult Training Board acting as National Authority for Qualifications. This is meant to increase coherency between initial and continuous VET. So far, vocational training standards for qualifications levels I, II and III which can be obtained through the initial VET system have been updated and are implemented at national level. The methodological developments and expertise as regards qualifications development and validation reached within the initial VET have been transferred to the whole VET etc.

In order to increase the quality of provision and based on progress made in regional and local planning of initial VET (REAP, LEAP), since 2006/2007 measures for optimising the school network in initial VET will be pursued. The activities implemented, apart from increasing the schooling capacity in rural areas, consisted of improving the initial and continuous training offer in rural areas, developing institutional capacities for VET schools in view of assuring inclusive education and training for students with special education needs.

Quality assurance is in a more advanced phase in initial VET than in the other components of the education system. It started earlier under a PHARE project and a system of quality assurance based on the common quality assurance framework (CQAF) agreed at European level has already been implemented. The experience acquired allowed the starting of implementing of the quality assurance instruments for initial VET at the level of the whole VET system.

Expected outcomes of the above decisions envisage quality assurance improvement of the VET provision. The effects of all these will be measured in June 2008 when first graduates may enter labour market or continue their studies.

¹⁰ The Sectoral Committees are structures for social dialogue organized at the level of sectors of activity and are set up by the National Adult Training Board, through the common agreement of the representative social partners at sector level. The Sectoral Committees contribute to the development and upgrading of the qualifications by sectors of activity.

In case of post high school education, the current financing system does not allow a proper development/pace in relation with labour market needs and current EU experiences in the field. At present, as already mentioned, the companies co-finance the post high-schools, in relation with their specific needs. This raises the issue of addressing in a coherent manner the labour market needs which requires intermediate qualification levels between high school and higher education. The lack of staff development strategies in companies, in particular in SMEs, affects also the development of this level of education.

University education

Unlike the secondary and post-secondary education, in case of university education, the ascending trend of participation in education specific to early '90s continued also between 2000/2001 and 2005/2006. Thus, the gross enrolment rate in university education increased from 27.7% in 2000/2001 up to 44.8% in 2005/2006 (Table 9, Annex 1). The increasing participation in university education is explained by the development of private university education, development of the universities' networks, by setting up new universities or by developing subsidiary universities in non traditional locations, increasing enrolments, increasing interest for university education due to a larger labour market absorption of highly educated people and lower unemployment risk for university graduates. For rural population, Roma community and other vulnerable groups, the access and participation to university education remains low due to the relatively high costs of university education and the incidence of early school leaving affecting them. By Bologna cycles, the enrolments in university education are dominated by undergraduate students. The number of enrolments in Master programs increased during the last two years due to higher chances of master graduates to insert in the labour market. The number of doctoral graduates decreased, due to the changed access condition to this level of education, with negative effects on the R&D human potential (Table 10, Annex 1).

The restructuring of the university education started in university year 2005/2006 following the Bologna process. As part of the restructuring and modernisation of university education, recently, progress was made in terms of institutional framework and methodology supporting the development of National Qualifications Framework in Higher Education. In 2005, the National Agency for the Qualifications in Higher Education and Partnership with Social and Economic Environment has been set up and progress towards developing the National Register of Qualifications for Higher Education is currently being made.

- **Life Long Learning**

Life long learning is not approached in a coherent and comprehensive manner at system and policy making levels. This fact limits the coherence and the flexibility of individual learning routes throughout lifelong. Despite the progress made in regulating the validation of prior learning, the insufficient use of the existing legal framework (except for initial VET) remains one of the limits of introducing life cycle approach in education and training. The insufficient development of the transfer mechanisms of the learning outcomes between various learning environments limits the possibilities of the population, especially for the adult population, to obtain the formal validation of the competences acquired in the labour market and to re-enter into the formal education. Also, at the policy making level, more coherence between education and initial training policy and CVT policy is needed.

The validation of learning outcomes achieved, a better articulation between education and initial VET and CVT, improved definition and transparency of qualifications are issues to be addressed through the development and implementation of a National Qualifications

Framework (NQF). Progress in this respect was made in terms of institutional development (the National Adult Training Board was appointed as National Authority for Qualifications and a National Agency for Qualifications in Higher Education was set up), development and activities of Sectoral Committees (progress is still insufficient and the financing of Sectoral Committees limits their effectiveness and development; thus only 16 Sectoral Committees were operational in 2006) and development and validation of qualifications. NQF supports the development of life long learning for individuals and will create a transparent system of qualifications in vocational training that will allow a coherent development of the current initial and continuous vocational training system, having regard on the perspective of life long learning and having the support of the stakeholders.

Quality of the human capital in Romania

The competitiveness of the human capital is directly influenced by the educational attainment. For the population in the 25-64 years age group, data show that the share of the population with at least upper secondary education is close to the EU average, but below the average level of the 10 new Member States and the 85% EU benchmark for 2010. Data show that the share of the population aged 25-64 years old with at least upper secondary education increased during 1999-2005 from 67.9% to 73.1%. By gender, higher values (above 75%) were recorded during the reference period in case of male population, and lower values in case of female population, for which the indicator has been about 67.7% in 2005. The gender gap reduced to 10.8 percent points in 2005 as compared to 13 percent points in 1999. (see Table 11, Annex 1).

In the same age group, the share of the population with university education, although on an ascending trend (from 8.7% in 1999 up to 11.1% in 2005), remains below the level recorded in the most developed countries (figures for 1999: USA – 27.7%, France - 16.4%, Germany – 15%, UK – 15.4%) (White Paper on Labour Force, DTI/UK – 2003) (Table 12, Annex 1). The evolution by gender reflects a slight decrease of the existing gap between female and male population with university education.

The educational attainment of the population within 15-29 age group is presented in Table 13, Annex 1. Data obtained from Population and Housing Census 2002 and NIS 2005 indicate an increase in the number of graduates of university education, within the 15-29 years age group, both in absolute and relative terms, during 1992-2005. Also the share of the graduates of post high school education and the share of graduates of primary schools increased in the same age group in the same period. A decrease is recorded in case of the share of graduates of lower secondary schools within 15-29 years age group (from 43.1% in 1992 to 38.4% in 2002). On the whole, in 2002, within the 15-29 age group, about 6% graduated university education, 84% graduated secondary education (including post-secondary and foreman education), about 8% graduated primary education and 3% had no education.

Increased competitiveness of the human capital could be achieved through life long acquisition of knowledge and competences and through the continuous up date of individual stock of knowledge and competences, continuous education and training. The supply of continuous vocational training remains fragmented, since it is addressing especially the needs of individuals and not the enterprises' needs. Most of the training providers avoid modular training programs due to legal vagueness and due to the fact that the completion of one or several modules of a training program does not provide a “profession” and does not give the right to the trainee to an occupation on the labour market. The complete qualification cycles/programs, finalised with a nationally recognised certificate of qualification, are more

valued/praised since they provide the right to practice one or more occupations on the labour market.

- **Human resources in education**

Figures available show, in 2004/2005, that human resource employed in education system represented 4.32% of the employed population in Romania. The analysis of the dynamics of the teaching personnel during the period 2000-2005 indicates that the personnel in the education and training decreased except for vocational and pre-school education (Table 14, Annex 1).

The share of qualified personnel continuously increased during 2000-2006, at all levels of education. A slightly reversed evolution is recorded in 2005/2006 as compared to previous school year in case of pre-school education (0.7 percent points) and vocational education (0.6 percent points). By residence, at all educational level, during the entire period analysed, the share of qualified teaching personnel is lower in case of rural areas as compared to urban areas. In university education, the issue of unqualified teaching personnel does not exist (Table 15, Annex 1).

The forecasted decrease of the school population by 20% in 2013 (as compared to 2005) will trigger serious effects in case of school network and recruitment of teaching personnel. This demographic trend is expected to trigger a decrease of the personnel in education and initial training by about 10%. Despite this forecasted surplus at system level, there are increasing deficits of qualified teaching personnel in particular for domains highly demanded and better paid by employers in the labour market (e.g. ICT, foreign languages). Deficits of qualified teaching personnel are specific to the fields/curricular areas related to new occupations demanded by the labour market, as well as to the new professions in education (e.g. qualified school educational assistant for SEN children) for which initial and continuous training programs for teachers and trainers are not available yet.

The ageing trend of the population is visible in case of teaching staff and will contribute to the overall diminishment of the teaching personnel. The low attractiveness of a teaching career, the relative persisting rigidity in the professional routes and rewarding of the teachers, limit the possibilities of the education and initial VET providers to recruit and maintain the quality young graduates in a teaching career. Combined with the ageing trend of the personnel, it is expected for the existing deficits to accrue and to coexist with an overall surplus of teaching personnel. All these will negatively affect the quality and responsiveness of the education and initial VET to the labour market demands, particularly in case of new occupations. These developments and the demographic trends underline the importance of the qualification and quality of the human resources employed in education.

- **Human resources in research and development**

In 2004 in Romania the number of R&D employees per 100 employees was 0.46. This ratio is 3 times lower than in the EU-15 (1.41 R&D employees/100 employees). The number of R&D employees, especially highly qualified specialists, recorded a constant increase trend (Chart 4, Annex 1).

Low wages, poor or improper endowments, as well as opportunities provided by research programmes from other countries gradually led to an increase in the average age of the R&D highly-qualified staff, so that, in 2004, around 63% of the total number of researchers is over

40 years old. In 2005 the total number of researchers has increased, but the structure by age groups has been changed, data being no more comparable with the previous years (see Table 16, Annex 1).

The dominant weight is of the technical and engineering researchers (approx. 60%), which is also a field with a high capacity to adapt to the economic changes. In 2004 the specialised staff in R&D units obtained a total number of 1,282 patents, out of which 435 issued for Romanian inventors, 170 for foreigner inventors and 677 patents have been certified in Europe.

The evolution of doctoral graduates and their structure by field of research are relevant for the development of human potential in R&D (Table 17, Annex 1). Most of doctoral graduates are in the fields of science, mathematics and humanities. A significant increase of doctoral graduates in 2004 as compared to the entire period 2001-2003 occurred (the number of doctoral graduates increased 3 times) followed by a severe decrease in 2005, due to the high cost of doctoral programs and limited support provided to doctoral candidates. MoERY, through the executive body of the National University Research Council granted, on competitive basis, support for research activities and, to a limited extent, support to young researchers. Within the support for young researchers, support for doctoral candidates and their research activities was also provided, on competitive basis.

- **Quality assurance and management**

The official statements made during the last 15 years referred to the education as national priority and to the fact that developments in terms of quality assurance should be pursued in reforming initial education and training. In case of formal education, prior to 2005, quality assurance in education was based almost exclusively on external evaluation like school inspection and accreditation, while the internal mechanisms and procedures for quality assurance and management were not fully operational at system level. Prior to 2005, significant progress in developing quality standards and mechanisms for quality assurance and management was made in case of initial VET under Phare funded project.

At the system level, during 2005 and 2006, progress was made in defining the institutional framework for quality assurance in education. The two Agencies for Quality Assurance in Pre-university Education and in University Education were created. For the next period, new standards, quality assurance mechanisms (based on internal and external standards - stipulated by the new legal framework adopted in 2005-2006) will be developed and implemented by the above mentioned agencies and by the education and initial VET providers. Once the guidelines and methodologies for quality assurance, evaluation and management are adopted/validated at system levels, the education and initial VET providers will have to adopt specific actions for the implementation of these new tools: transposition of the new standards, training for school/university staff development (over 45,000 persons - school/university staff and other stakeholders staff) and training for external quality evaluators and assessors (about 4,000 persons).

There is no available study of quality assessment of education and training. The good quality or the poor quality can be assessed, at present, mostly by the school/university graduates' performances in the labour market, in terms of employment and unemployment rates, although the relevance of employment and unemployment rates in evaluating the quality of initial education and training may be diffused by other economic and social causes that may produce effects in employment and unemployment rates and structures.

In terms of systemic restructuring, the decentralisation of pre-university education is a key challenge for the years to come. The process has been initiated since the end of 2005 and is currently piloted in 50 schools. Based on the result of this pilot phase, the decentralization will be extended in pre-university education. The decentralization in education addresses the issues of financing, HR management at local level, improved relevance of curriculum for local development needs and competence demands (by increasing the relative weight of local curriculum) etc. A crucial factor for the success of decentralization will be the training of all the stakeholders in the process (school management and decision makers, inspectors, public administration etc.). It will support the development of a system providing flexible, accessible and better education to individuals.

- **Education and training in support for provision of managerial skills and entrepreneurship**

Great consideration was given to the reinforcement of the initial education and training contribution in providing employability competences to their future graduates. The initial VET restructuring, seen as a continuing and coherent process, is a good example for the importance given to the need to improve the co-operation with employers and to address the individual education and training needs. The VET curriculum is developed based on validated training standards by Sectoral Committees. Methodologies and mechanisms for updating training standards and VET curricula have been developed and applied during the Phare TVET projects and will be updated by the institutional development of the NAQ, supported by Phare projects. The new VET curriculum introduced some innovations focused on developing learner-based teaching methodologies and the individual tailored educational offers. The new curriculum, based on competences and the transferable credits system adopted create the premises for flexible and better adapted educational and initial VET offers to the labour market needs and for promoting entrepreneurship. Entrepreneurial education is part of the key competences and is reflected in all curriculum development activities. Entrepreneurial education is also part of the compulsory curriculum in gymnasium education (module within the technical education curricular area) and in 10th grade and high school lower cycle. Initial VET offer contains entrepreneurial education as part of curriculum in upper secondary education. The specific training of teachers who are instilling entrepreneurial spirit is still insufficient and remains a priority of the system. School-enterprises co-operation as predictor for entrepreneurship skills development is still insufficiently exploited, especially in rural areas.

In case of university education, entrepreneurial education is less coherent and systematic compared to pre-university education, as well as compared to the experiences and practices of other Member States, which created chairs for entrepreneurship (Belgium), master programs in entrepreneurship (Denmark), centres for entrepreneurship development (UK) etc.

Tertiary education, university and non-university (namely post-high school education) is fostering the achievement of managerial skills. The first reference level ensuring managerial skills is the high school. Still labour market is requiring managerial skills within a competences package, including occupational related knowledge, to be delivered by post high school education.

- **Correlating education and initial VET offers and labour market demand**

The increase of the education and initial VET relevance to the labour market needs still remain a major goal in the policy making and activities of the education providers. The rate of youth unemployment (see also the references in the below section on *Youth Unemployment*) is

raising the problem of education relevance to the labour market. There have been taken several measures aiming at improving initial VET supply responsiveness to the labour market needs: improving the strategic planning of the initial VET offer and provision of career guidance and key competences.

Among the factors limiting the correlation between education and initial VET to the labour market, the following could be considered:

- Still insufficient involvement of relevant stakeholders in the participatory planning of educational activities/offers;
- Insufficient training provided to stakeholders in education and VET planning;
- Insufficient updated information and studies on long term labour market needs affecting the initial VET planning and responsiveness;
- Insufficient development and valorisation of partnership in education and training, limited co-operation in developing continuing learning programs, work based learning programs etc.;
- Absence of mechanisms for monitoring the insertion and professional development of graduates (e.g. “tracer studies”).

At system level, some of these issues (e.g. involvement of social partners, local authorities, and other stakeholders) will be addressed through the implementing of NQF and of the new instruments for quality assurance in education.

The available studies (developed in 2005 within Phare TVET 2002) indicate that for graduates, regardless their educational/training attainment, a longer period of time is necessary to adapt them to job requirements, unlike in the case of persons with longer working experience. This situation is directly influenced by the insufficient correlation between education and initial VET offers and labour market needs. The lowest correlations are specific to intermediate qualification levels. One of the explaining factors is that the initial VET system was designed for career development. Qualifications achievement allow to initial VET graduates to practice several occupations. Thus, for being able to practice and to adapt to requirements of a specific occupation/job, graduates need to be integrated in programs for transition from school to work. Current programmes do not support the graduates' effective insertion on the labour market and the work based learning and career counselling are not yet responding to the requirements of the study programmes. In this respect, specific actions for increasing relevance of qualifications provided by initial education and training were undertaken and some progress was made. Another issue that also remains to be addressed by the initial VET is the contribution to the middle management development trough post high school education.

1.2 Employment

Structural analysis of the labour market

The Romanian labour market faced significant changes in the economic transition process, emphasised by the reduction of the active and employed population, by maintaining the unemployment rate at relatively constant values, and by the increase of the youth and long-term unemployment, being mainly affected by the limited job creation capacity. Important changes occurred alongside a severe decrease in the employed population regarding the structure of employment by sectors, fields of activity, regions, and types of ownership, age, and professional status.

Table 18. Main indicators of employment, 1999-2005^{*)}

Indicator / Year	1999	2000	2001	2002	2003	2004	2005	2005	
	RO							EU25	EU15
Active population (<i>thou.</i>)	11,566	11,585	11,447	10,079	9,915	9,957	9,851		
Activity rate 15-64 years old (%)	68.7	68.6	67.5	63.6	62.4	63.2	62.4	70.2	71.0
Employed population (<i>thou.</i>)	10,776	10,764	10,697	9,234	9,223	9,158	9,147		
Employment rate 15-64 years old (%)	63.5	63.2	62.6	58.0	57.8	57.9	57.7	63.8	65.2
ILO unemployment rate (%)	6.8	7.1	6.6	8.4	7.0	8.0	7.2	8.8	7.9
ILO long-term unemployment (%)	3.0	3.6	3.2	4.5	4.3	4.7	4.0	3.9	3.3
ILO youth people unemployment rate (%)	18.8	18.6	17.5	21.7	18.5	21.0	19.7	18.2	15.6

Source for EU-25 and EU-15: EUROSTAT, New Cronos, 2005

Source for RO: NIS, Labour Force Survey (AMIGO), annual averages; data for 2002-2005 have been weighted based on the results of the Population and Housing Census, March 2002

^{*)} Data referring to 1999-2001 are not fully comparable with data series 2002-2005 due to the revision of definitions related to the main categories of population (active, inactive, employed, unemployed).

The human resources evolution has been for the past decade under the influence of several demographic and social phenomena such as: the speeding up of the fertility decreasing process and maintaining mortality at high rates, the increase of the emigration, and the decrease of the medical and social assistance services' quality. These facts contributed to the increase of the share of 60 years old and over population and also to the maintaining of the demographic dependency rate at high level, especially in the rural areas.

a) Employment structure

- Employment rate

In 2005, the employed reached the level of 9.85 million persons. Compared to 2002, the employment rate dropped in 2005 by 0.3 percent points, reaching 57.7% (Table 19, Annex 1). The employment rate of the working aged population in 2005 situates Romania at a 12.3 percent points distance as compared to the Lisbon objective established to be achieved in 2010 – general employment rate of 70%. On the other hand, women employment rate reached in 2005 51.5%, by 8.5 percent points lower than the Lisbon objective (60% in 2010). In 2005,

the employment rate of 15-64 years old group registered a gap of 12.4 percent points between genders (63.9% for men compared with 51.5% for women).

The decrease in employment is in relation with the variations of the economic growth. The employment rate affected by the period of negative economic growth (1997-2000) could not be influenced too much by the positive economic growth registered starting with the year 2000.

- **Employment by age group**

The employment rate of 15-24 years old group registered the most significant decrease of 4.9 percent points during 2002-2005, reaching 25.6% in 2005, lower than the EU 25 (36.8%).

The 25-54 years old group registered a 0.5% decrease of the employment rate during 2002-2005, reaching 73.3 % in 2005, also lower than the EU 25 average (77.2%).

The 55-64 years old group registered a decrease of 1.7 percentage points during 2002-2005, reaching the value of 39.4% in 2005, compared to 42.5% in EU-25. The 2005 value of the employment rate (39.4%) for the 55-64 years old group situates Romania at 10.6 percent points below the Lisbon objective for 2010 (50%) (Table 19, Annex 1).

- **Labour force in urban and rural areas**

In the rural area, during 1999-2001, the employment rate of 15-64 years old group had almost flat values, but the rate was still higher than in urban (Chart 5, Annex 1). Starting with 2002 the rate decrease exclusively based on the shrinking of those segments of population aged 15-64 years old employed in agriculture, from 64.2% in 2002 to 60.2% in 2005. The further economic growth registered during the last years would lead, on the one hand, to a slow but constant decrease of the share of agriculture in total employment and implicitly in rural employment. This might lead in the future to a new structure of rural employment less reliant on agriculture and possibly to an increase in urban employment. Part of the decrease in the share of agriculture¹¹ in total employment can be explained by the growing openness of the Romanian economy, which slowly but surely makes subsistence agriculture unprofitable.

In the urban area, during 2002-2005, the employment rate for 15-64 years old group increased slowly by 1.3 percent points, from 53.7 to 55.0%. In 2005, according to the LFS carried out by the NIS, the residents in rural area represented a share of 45.2% out of the total Romanian population and 46.6% out of the total population in employment (9,147 thou. persons). The rural residents with full time employment were 41.9% out of the total persons in full time employment and 87.3% of the total in part-time employment.

From the perspective of employment status, the rural residents in full time employment were 24.7% out of the total employees (wage-earners), around 86.3% out of the total self-employed persons and over 94% out of the total contributing family workers. In fact, the self-employed and contributing family workers represented 33.5% out of the total population in employment in 2005 and 89.8% of them were rural residents. More concretely, in rural area the number of self-employed in agriculture, fishery and forestry was 1,429,000 persons and 1,179,000

¹¹ Nonetheless, part of the decrease can also be ascribed to the methodological change introduced in 2002 by the NIS, which "pushed" the subsistence employment into inactivity simply by a change of definitions. As such not all the reduction in the share of agriculture in total employment will necessarily translate into higher employment in industry and services. It might also translate into inactivity.

worked as contributing family workers, while the number of employees (wage-earners) was 116,000 persons. Farmers and skilled workers in agriculture, forestry and fishery (54.9%), as well as artisan and handicraft (10.7%) are the main occupations of the rural residents.

In 2005, the share of population employed in agriculture¹² in total population in employment was 32.2% and in case of 15-64 age group the share was 28.7%.

The facts presented above provide an overall image of the underemployment in subsistence agriculture¹³. Having in mind the low rate of unemployment, the challenge resides in choosing the right active measures for social improvement and inclusion on formal labour market (including in the value-added activities). Besides self-employed and contributing family workers, rural areas include an important share of inactive and discouraged people, those who are out of work and available for work, but are no longer looking for a job because they believe none are available. Moreover, according to LFS 2005, the average duration of unemployment was 20.6 months, the rural area registering higher values than the urban one for the 25-54 years old group. The longest period is 26.9 months in case of rural residents aged 55 years old and over. The urban area is preponderantly affected by the long-term unemployment (58.4% against 51.7% in rural area). In case of youth long term unemployment, a higher value was registered in urban area (69.1% against 62.4% in rural area).

In terms of inactivity, the housekeepers share in rural area was 53.1% out of the total 1,264 thousand persons. It is worthwhile mentioning that the housekeeper category of population is exclusively feminine. Also, the most augmented gap between the rural and urban area in terms of housekeepers number is registered in case of age brackets 15–34 where the rural area shows much higher figures (double than urban area in case of 15-19 and 20-24 age brackets).

The total inactive population in 2005 was 11,790 thousand persons (pupils, students, retired, social assistance beneficiaries, housekeepers and others), out of which 5,665 thousands belong to 15-64 years old group. A potential resource is represented by the 8,385 thousands inactive persons (15 years old and over) that even looked for a job, but were not available to work, or did not look for a job, but were ready to start the work.

• **Employment by economic sectors**

By economic sectors (Chart 6, Annex 1), 30.3% of the employed persons used to be involved in 2005 in industrial activities and constructions, showing a slight increased share compared to 2002 (29.5%). During 2002-2004 the share of population employed in the agriculture, including forestry and fishery, had a decreasing trend (from 36.4% to 31.6%), recording in 2005 a slight increase to 32.2%. The share of employed in services had an increasing evolution, from 34.1% in 2002 to 37.5% in 2005.

During 1997–2005, the population employed in agriculture decreased in all regions and in particular in the North-East and South Muntenia regions (see Table 20, Annex 1). This trend may be correlated with the creation of new jobs in urban areas, in the context of an increase of the private sector share in the overall economy, but also with the natural decrease of population.

¹² In the context of SOP HRD, people employed in agriculture shall mean people who earn an income from agricultural activities, either as technicians or farmers in agricultural and zoo-technical undertakings or authorized self-employed agricultural producers (source: NIS, LFS)

¹³ *Subsistence agriculture* corresponds to agricultural household production for its final consumption. It rarely implies any monetary income and it normally counts as informal employment (source: NIS, LFS)

As a reflection of the Romanian economy trends, the civil employment in industry decreased in 2005 as against 1997 in all regions, except West Region where an increase of 9.2 thou. persons was registered. The population employed in constructions has dropped in 2005 compared to 1997 in all the regions of the country, with only three exceptions: West, North-West and Bucharest-Ilfov Regions. The main increase in construction sector has been registered in Bucharest-Ilfov (49.4 thousand persons).

Over the same period of time (1997-2005), the service sector registered an increase in all Regions, the highest increase being in Bucharest-Ilfov and the North-West Regions (228.9 thou. persons and 93.5 thou. persons respectively). The gap between Bucharest-Ilfov and the other Regions from the point of view of civil employment in the service sector is caused by the rapid growth of the business sector, the relatively large number of persons enrolled in higher education and the big investments in the telecommunications sector.

- **Employment by working time**

The full time employed population is the majority of the employed population in Romania (Table 21, Annex 1), the share of the male and female being almost equal. During 2002-2005 the share of part time employed population registered a decreasing trend, slighter in case of male population (0.7 percent points) as compared with female population (2.3 percent points). In 2005 it can be noticed that, at the EU-25 level, the share of part time employed population is around 4 times higher for female, unlike Romania where there is an even distribution between women and men, which indicates a very low use of flexible working arrangements for women. The almost equal share for male and female population in part time employment indicates that the male population is involved in a second paid employment, in order to supplement the family budget.

- **Distribution of the employed population by level of education**

The current distribution of the employed population by level of education¹⁴ (see Chart 7, Annex 1) shows a decreasing trend of low education employed population, but it still remains at high weight in total employment (26.4% in 2005).

The proportion of the employed people with higher education increased constantly, reaching 12.6% in 2005. The increase in the number of graduates from medium education institutions is common at the entire economy level which resulted into an increased rate of medium educated persons accessing the labour market. Persons with medium education are the great majority of the employed persons.

- **Contribution of SMEs to workforce employment**

During 2001–2004, small and medium sized enterprises have had an important contribution to the creation of new jobs and implicitly to the employment of the workforce in Romania. The increasing trend of the personnel employed within SMEs started during '90s, while the number of employees of big companies registered important decreases. The number of employees in SMEs evolved from 2,122,617 in 2001 to 2,778,967 in 2005 (Table 22, Annex

¹⁴ Level of education:

- High - short-term university, long-term university education (including master degree, PhD);
- Medium -specialized post-high school or technical school, high-school, vocational, complementary or apprenticeship, first high-school stage;
- Elementar - gymnasium, primary, no school graduation.

1) with an annual average growth rate of 1%.

As per SMEs size (Chart 8, Annex 1), there has been an increase in the number of employees for all types. In the case of micro-enterprises the evolution was positive starting with 2003. Medium sized enterprises are the most dynamic category in terms of generation of new jobs.

By sector, during 2002-2004, the number of employees increased significantly in services, industry and construction sector, while in agriculture there was a slight decrease (see Table 23, Annex 1).

By regions, the West Region, with a pronounced industrial profile and many SMEs, has the highest growth rate in terms of employment in SMEs, with a modification index of 118; Bucharest-Ilfov Region ranks second with an index of 112, followed by South Muntenia with 111, Centre with 109, South-East with 108, North-West with 105 and North-East with 104. The only Region with a decreasing share of employment in SMEs of the total employed population in the area is South-West Oltenia. The most industrialized areas of the country, the North West, Centre and Bucharest-Ilfov Regions show significant SMEs employment rates among resident population. However, the most revealing aspect is the growth with the highest values of employment in SMEs in the South Muntenia and South-East Regions, regions less industrialised.

- **Employment by Regions**

In 2005 the employment rate of the working age population (15-64 years) achieved the lowest values in the Centre (54.2%) and South-East (54.7%) Regions. It could be mentioned that the North-East and South-West Oltenia Regions, which registered high employment rates of 61.5%, respectively 60.1%, are benefiting from the so-called „protection” of the subsistence employment in the rural areas (being the most important share of people employed in agriculture) (Table 24, Annex 1).

By sectors, North-East and South-West Regions have an increased value of the employment in agriculture (more than 48% in 2005, Table 25, Annex 1) due to the high number of people living in subsistence farming, which reveals the incapacity of labour market to absorb the active population from rural areas.

- **Undeclared work**

Recent surveys on undeclared economy provide an indication about its share in GDP (between 20% and 30%). The main reasons are the long duration of the transition from centralised to free market economy and, especially, the “stop and go” pattern of this transition in the past.

According to recent estimates, the undeclared work phenomenon accounts for approx. 2.7 million people. Sectors affected by undeclared work are constructions and services. Another aspect is related to the combination between a formal employment with low wage and an informal part of the wage (“envelope” wage). The existence of a large household production for its own final consumption favours undeclared work¹⁵. However, clear distinction should

¹⁵ Subsistence employment in small family farms constitutes what is known as the “household production for its own final consumption”, in itself, a distinct sector of the Non-Observed/Non-Registered economy in accordance with the Romanian System of National Accounts (SNA). Undeclared work is a broad concept used by the European Commission and actually covers to a large extent what in the SNA classification is known as the “underground” sector of the Non-Observed/Non-Registered Economy.

be made in between the undeclared work and the household production for its own final consumption.

The economic activities having a low added value are more susceptible to get informal due to the low productivity. So, they tend to use on a larger scale the undeclared work or employment with low revenues. The frequency of tax evasion, bribery or corruption is potentially increasing in case of enterprises with lower levels of the added value.

- **External migration of the labour force**

Causes and consequences of internal or external migration remain closely related to the labour market development. Romania's entry into the EU labour market will increase the mobility of labour, by losing workers in favour of the European area, on one side, and attracting additional labour force from other states, on the other side.

A study conducted in November 2006¹⁶ reveals that the share of adult population who worked abroad in the past 17 years was 10%, at the time of survey. A first stage of temporary migration for work purposes was between 1990 and 1995, when the migration rates during this period did not exceed 5‰. The second stage unfolded between 1996 and 2001, and the migration rate reached 6-7‰. After the removal of visa requirements in the Schengen area on January 1st, 2002, the process increased and the temporary migration rate fluctuated between 10‰ and 28‰. The option to work abroad had a significant variation on categories of population, such as: there were more youths than elderly; men had a higher share than women. For men aged 18-59 the migration was more intense from the rural areas. For women, the migration residential model was more differentiated: the temporary migration was higher for women aged 18-29 in the rural areas, than for the same category in the urban areas. On the contrary, the temporary migration was more prominent for women aged 30-59 in urban areas, as compared to those in the rural areas.

As regards the intentions to work abroad, approx. 11% of the Romanians aged 18-59 would like to work abroad in the next year. However, approx. 40% of the people who worked before wish to return abroad. In the decision to migrate matters not only their own experience, but also their families. The most dynamic segment is the group of people aged 18-29, whereas for the group over 40 years old the intention is almost absent. The share of men compared to women is double.

For the next decade it is estimated that the number of migrant workers will have a certain decrease, as the Romanian economy develops and offers, progressively but sure, more employment opportunities and personal performance to individuals.

b) Unemployment

During 2002-2005 ILO unemployment rate had a slight decreasing evolution (from 8.4% to 7.2%). However, the level in 2005 was below the average in EU-25 (9.0%) (Chart 9, Annex 1).

By gender, during 2002-2005 ILO unemployment rates were higher for men as compared with women. In 2005, ILO unemployment rate for men at national level was 7.7% vs. 8.4% in EU-25. ILO unemployment rate for women in the same year stood at 6.4% vs. 9.8% in EU-25 (Chart 10, Annex 1).

¹⁶ Temporary Dwelling Abroad, Romanians' Economic Migration: 1990-2006, Open Society Foundation, November 2006

By areas, during 2002-2005, more significant changes in the ILO unemployment rates have been recorded in urban. ILO unemployment rate declined from 11.2% in 2002 to 8.8% in 2005 in urban areas, while in rural area ILO employment rate has an oscillatory evolution from 5.4% in 2002 to 5.2% in 2005 (Chart 11, Annex 1).

As regards the unemployment by Regions, in 2005 the highest ILO unemployment rate was in South Muntenia (9.2%) and the lowest in the North-East (5.7%) Regions (Chart 12, Annex 1).

The share of different development regions in total employment reflects transition patterns as well as recent economic development patterns. As such, Bucharest and the surrounding county of Ilfov, display a LFS/ILO unemployment rate that is close to the national average but a NAE (registered) unemployment rate that is far below the national average. In the meantime, regions like North-East display a relatively low unemployment rate (LFS/ILO definition) but relatively high unemployment rates when using the NAE definition. This is normally explained by the fact that more developed economies, attracting higher investment flows, like Bucharest and its surrounding region, normally do not lead people into claiming unemployment benefit as a source of monetary income, but may lead them into declaring themselves as unemployed, although they might in the meantime earn a certain amount of monetary income, in most cases derived from sources outside the formal economy. This is, nonetheless, high enough to deter them from registering with the NAE offices. Meanwhile, less developed Regions where opportunities for employment, even in the shadow economy are less abundant and therefore the sources of monetary income scarcer, tend to lead people into registering with the NAE offices, as unemployment benefit provides them with a much needed source of monetary income.

- **Unemployment structure and evolution by specific groups**

- ***Unemployment by education level***

The decrease in the number of the unemployed persons with secondary or vocational schooling (Table 26, Annex 1) reflects the current structure of the Romanian economy, which is characterised by the poor or medium added value production sectors, currently representing the “main engine” of the economic growth. This shows that investment in vocational education and in continuous vocational training represents, at the same time, a necessity and an opportunity for people in search for better qualifications related to jobs required on the labour market.

By gender, the existing differences are explained by two elements:

- the restructuring and patterns of transition have affected primarily the sectors with a prevalent male employment;
- the current economic growth is “driven” to a considerable extent by the economic sectors where female employment prevails.

The decrease in the unemployment rate among workers with very low education level is largely the result of their withdrawal from the labour market.

- ***Youth unemployment***

Youth unemployment is a key aspect of social disadvantage among young people. According to Eurostat¹⁷, the harmonised youth unemployment rate in Romania was 17.2% in 1999, 21%

¹⁷ EC, Employment in Europe 2006, DG EMPL, Unit D1, October 2006

in 2002 and 23.8% in 2005. This may suggest that Romania's economy is not yet able to generate sufficient jobs, in particular jobs requiring higher qualifications, which are held normally by young people. In the mean time, the vacancies do not offer attractive salaries according to youngsters' expectations. The skills and competences achieved by youngsters are not always fully relevant for the labour market demand, which contributes also to the high rate of unemployment.

○ *Long – term unemployment*

According to Eurostat¹⁸ the harmonised long-term unemployment rate increased from 2.8% in 1999 to 4.0% in 2002, and 4.4% in 2005. In comparison, in 2005 the EU-25 rate was 3.9% and 3.3% in EU-15.

During 1999-2005, the harmonised long-term unemployment rate was higher for men comparative with women. The share of males' long-term unemployment in the active population was 2.8% in 1999 and 4.7% in 2005 (3.5% in EU25 in 2005). Females' long-term unemployment in active population was 2.7% in 1999, and 3.9% in 2005, compared to 4.5% in EU25 in 2005.

The youth long term unemployment (more than 12 months) in 2000 and 2004 (Eurostat, LFS) shows an increase from approx. 46.0% in 2000 to 48.5% in 2004¹⁹. Long term unemployment threatens the overall integration of young people into society. The most important vulnerability factors are represented by the low qualification, passivity on the labour market and a precarious financial situation.

Analysing the NIS data, the ILO total long-term unemployment rate by areas and age groups shows a decreasing trend in urban areas from 6.6% in 2002 to 5.2% in 2005 (Table 27, Annex 1). In rural the rate had a slight increase, from 2.2% in 2002 to 2.7% in 2005.

The incidence of ILO long-term unemployment shows an accentuated upward trend from 44.3% in 1999 to 56.2% in 2005, a high raise compared with 45.0% in 2005 for EU-25. The incidence of ILO long-term unemployment by gender is higher for men as compared to women: for men, it rose from 41.9% in 1999 to 59.0% in 2005 vs. 44.5% in EU-25, while in case of women from 47.8% in 1999 to 52.2% in 2005 vs. 45.5% in EU-25. The ILO long-term unemployment by area shows, except 2004, a higher incidence in urban than in rural area, with a rising tendency over the reporting period, from 47.8% in 1999 to 58.4% in 2005 in urban and from 34.4% in 1999 to 51.7% in 2005 in rural area.

Long-term ILO unemployment rate among young people aged 15–24 has continuously increased from 11.2% in 1999 to 13.1% in 2005 (4 times higher in 2005 as compared to the rate among young people aged 25 and over); for women the indicator was 11.7% in 1999 and in 2005, meanwhile for men it was recorded an increase from 10.9% in 1999 to 14.0% in 2005. By residence area, ILO long-term youth unemployment in urban area has decreased from 25.3% in 1999 to 18.2% in 2005, whereas in rural area has increased from 5.1% in 1999 to 8.7% in 2005.

The incidence of ILO long-term unemployment rate for young people in the period 1999-2005 has significantly risen from 59.5% in 1999 to 66.5% in 2005, being lower for women (from 63.0% in 1999 to 63.5% in 2005) than for men (from 57.1% in 1999 to 68.4% in 2005). The incidence of ILO long-term youth unemployment by area shows a decrease from 86.4% in

¹⁸ Idem 17

¹⁹ Thematic Study on Policy Measures concerning Disadvantaged Youth, Community Action Programme on Social Exclusion, EC, 2006

1999 to 69.1% in urban area in 2005 and an increase from 48.7% in 1999 to 62.4% in 2004 in rural area.

c) Work force adaptability and entrepreneurship

- **General issues regarding adaptability of the employees and enterprises**

The measures designed to enhance work force adaptability serve the interest of both the workers and the employers so that labour recruitment should be carried out in profitable and competitive conditions for both parties, with positive effects on the economic and social life as a whole. Market regulation has been very active. There have been regulated individual work relationships²⁰, collective work relationships, labour administration (jurisdictional bodies and Labour Inspectorates), and the activity of the trade unions, employers' associations, tripartite and bipartite bodies and social dialogue. There has been created a system for the social protection of the employees and for sustaining the employer's interests.

The trends in employment in SMEs in 2005 as compared to 2004 show a positive evolution reflected by the number of people employed in these units, highlighting the efforts made by the SMEs for growth and competitiveness. Thus, it is important to notice that 48.95% of the enterprises increased the number of employees, 44.40% maintained it and only 6.66% of the SMEs have reduced the number of their employees. Taking into account the activities on which the management levels shall focus, 52.23% of the SMEs shall put more emphasis on new products/services, 33.68% shall dedicate more efforts to elaborating strategies and company policies, 14.41% shall introduce new technological processes and 7.72% shall focus on new methods of delivery and logistics²¹.

- **Work organisation, working conditions, working time**

The enforcement of the Labour Code leads to more flexible work relationships in the benefit of both employers and employees. The new conditions will activate the economic activities and will bring to formal the undeclared work. The new provisions state the obligation of employers to finance and ensure the participation in training of the employees.

The analysis on work organisation supposes the approaching of the issues regarding the nature and the distribution of tasks, responsibilities, workers' autonomy and control over their work performance and organisation. The data for 2003 for Romania regarding repetitive and monotonous activities show that 49% of workers execute repetitive work using their hands and arms (Q.9.3)²² all or most of their working time. The differences between countries are considerable in terms of this indicator, varying from 13% for Slovenia to 47% for Hungary. Comparatively, the indicator was 31% for EU-15 for the same year. As for autonomy and control at work place, the indicator regarding control over breaks from work, annual leaves and working hours, 57% of workers EU-15 do not have the freedom to choose when to take their annual leave or days off vs. the indicator for Romania standing at 55%.

Indicators referring to labour intensity work pace and breaks and interruptions during the working hours vary between EU-15 and Romania. In Romania the work pace indicator Q.19)²³ that measures the influence of external demand (customers, patients, and so on) stands

²⁰ Labour Code – Law no. 53/2003

²¹ White Charter of SMEs in Romania 2006, National Council for Private SMEs in Romania

²² The study "Working Conditions in the Acceding and Candidate Countries", European Foundation for Improvement of Living and Working Conditions, 2003

²³ Idem 22

at 53% vs. 69% in EU-15. This indicator reflects the Romanian economy still needs to concentrate more on the service sector.

With regard to training and qualifications, the values of the indicator for on the job training opportunities (Q.26)²⁴ vary greatly from 12% in Romania and 19% in Bulgaria to 31% EU-15 average. In Romania, the indicator reflecting the number of employees included in training programs over last 12 months stands at 17% as compared to EU-15 average of 34%.

In general, the most qualified occupational categories are the most frequently trained. In 2003, the most active sectors in the field of training are financial brokerage, transport and communication sectors. The differences in training for women and for men are not significant. Usually, employees with employment contracts signed for regular duration are more frequently participating to training as compared to employees with fixed-term contracts. In Romania, the average on-the-job training time was 3.7 h/person, less than the EU-15 average (4.4 h/person).

- **Access to training of workers and job seekers**

The Joint Assessment Paper on Employment Priorities identified several challenges for the employment policies in Romania on: improvement of access to training and professional development programs both for the employed and the job seekers; diversification of the employment active measures aiming at facilitating increased responsiveness to the transformations of the labour market; ensuring sufficient qualified staffing at the Public Employment Service in view of providing early assistance to the job-seekers according to the new employment regulations; ensuring equal opportunities; promotion of a more active role of the social partners, mainly through bilateral dialogue.

From the HRD perspective, CVT still remains a major challenge because the participation in CVT is the lowest in Europe: 1.0% in 2001, 1.0% in 2002, 1.1% in 2003, 1.5% in 2004, 1.6% in 2005. Participation to training of workers, in particular low skilled workers is very weak. The legal and institutional framework regulating the training activity at enterprise level is now in place, but without significant impact on the rate of participation to training.

One of the main barriers to the access to training in Romania is the training cost (see Chart 13, Annex 1). Thus, low profit enterprises and individuals are the most affected since they cannot easily afford the cost of training. Low earning employees and low profit employers will favour cheaper training, namely short-term courses for the first level of qualification instead of higher qualifications levels as requested. At the same time, the offer for continuous training is limited and focused on 2nd level qualification. For SMEs, CVT remains a sensitive issue, more than one third of the companies (33.61%) mentioning training, recruitment and maintaining the personnel among the difficulties they are facing²⁵.

The employers' policy in the field of human resource development are determined by a series of factors and conditions such as the performance level and investment capacity, position on the labour market, size of the company, line of business, staff stability and motivation etc. Expenditure on HRD is still considered a cost and not an investment. There are also discrepancies in terms of managerial and administration strategies. The training programs seem to be more accessible to the workers especially in the restructured enterprises, these

²⁴ Idem 22

²⁵ White Charter of SMEs in Romania 2006, National Council for SMEs in Romania and the National Agency for SMEs in Romania,

having as an aim the acquirement of new competences. Employers explain the tendency of the training policies to address in principal the managers or the people with managerial positions and important tasks inside a company by the oversupply of low qualified work on the labour market. According to the Monograph on Education and Training and Employment Services in Romania²⁶, in 1999, Romanian companies invested on average only 0.5% of their staff budget in the continuous training. Romania occupied the last place in terms of total costs per headcount destined to ongoing professional training in 1999.

The conclusions of the existing surveys²⁷ indicate over 1/3 of the companies surveyed asserted that they are confronted with a shortage of personnel qualified to perform certain work tasks and that various types of skills are hard to find on the labour market. The shortage of skills is more common in the following fields of activity: electricity, gas and water, hotels and restaurants, and trade. In the past few years a large number of the companies surveyed in these sectors have implemented new technologies, equipment or services that require new skills.

- **Health and safety at work**

The national legislation establishes that the employer bears the entire responsibility for the application of the measures regarding the health and safety at work. In spite of the measures taken at national level and of the slight decrease in the number of work accidents and work-related illnesses, figures in this field remain high and the accident average duration indicator is slightly increasing. This shows an insufficiently developed risk prevention culture in the enterprises and the necessity of the company social responsibility stimulation.

The Labour Inspection statistics in first semester 2006, revealed the frequency index for total injured workers at 0.73‰, and the frequency index for total fatal injured workers at 0.04‰. The total number of injured workers was 2,155 persons.

According to the Fourth European Working Conditions Surveys (2005), Dublin Foundation Study, population state's health at work registered high values compared to EU25, as follows: work affects health in RO 54.4%, in EU25 34.3%; back ache in RO 42.4%, in EU25 23.8%; muscular pains in RO 39.2%, in EU25 21.9%; allergies in RO 7.3%, in EU25 3.8%; overall fatigue in RO 44.6%, in EU25 21.3%; stress in RO 35.0%, in EU25 21.7%; injuries in RO 12.6%, in EU25 9.5%; heart disease in RO 9.4%, in EU25 2.1%; respiratory difficulties in RO 14.8%, in EU25 4.2%.

- **Entrepreneurship**

Small and medium sized enterprises (SMEs) account for 97.9% of the total number of companies in Romania in 2005²⁸. Given the important role they play in generating new jobs and their significant contribution to increased employment rates, the Romanian Government's Strategy for 2004-2008 regarding the development of SMEs, has anticipated and established the creation of 760,000 new jobs by supporting the long term development of SMEs sector as one of its priority objectives.

²⁶ Source: ETF and the National Romanian Observatory, Bucharest 2003;

²⁷ European Training Foundation, "Skills Audit Survey – Romania", 2004. The survey was carried out in 100 companies from Bucharest and North-Eastern Romania (counties of Botoşani, Suceava, Bacău, Neamţ). The survey investigated issues as company policy on human resource development and vocational training, the impact of external change on companies, the characteristics and trends of workforce skills, the workforce recruitment and the turnover of personnel;

²⁸ Idem 25

Supporting the SMEs sector is an effective solution to counteract the negative effects of structural adjustments and industrial restructuring, capable to generate economic and social alternatives. Therefore, the specific actions taken so far have mainly focused on the building of the institutional, legislative and financial framework to support SMEs development, private initiatives and investments through: creation of a favourable business environment for the set up and development of SMEs, development SMEs in production sector and in the services sector; improve access of SMEs to financing; enhance access of SMEs to external markets, promote the entrepreneurial culture.

d) Public Employment Service (PES)

The National Agency for Employment is the institution responsible for training, job placement and counselling for job seekers. NAE was established in 1999 as a public institution with tripartite management, in order to implement the national policies for employment and towards complying with the most important requirements concerning the quality of the organising path and the quality of the employment services provided for unemployed people.

For making the employment services more efficient and modern, considering JAP recommendations to modernise the PES, NAE has directed its interventions towards developing the territorial agencies network and leading its services (local agencies or working points) closer to its clients. The territorial structure of NAE contains 42 county agencies for employment, 89 local agencies and 175 working offices. In order to increase the capacity for providing vocational training for unemployed, within the structure of NAE there are established 6 regional centres for adults' vocational training, 20 county centres for vocational training, 3 Romanian-German foundations and one centre for vocational training of NAE' staff. Also, at the level of NAE territorial structures, there are 173 Centres for information and career counselling. The territorial structures do not have the adequate premises and equipment for ensuring the conditions for providing "self services" for job seekers, information and career counselling.

Starting with 2001, the activity of NAE and its subordinated units is performed on the basis of annual employment programs and performance indicators. In 2002 NAE has taken the first step towards modernising the management of the services offered, by developing and approving "The strategy for improving the quality of employment services".

The total amount of money allocated during 2003-2005 for the modernisation of the PES were insufficient and it still needs substantial investments for an appropriate and modern organisation of the clients free access spaces, vocational training of agencies' staff, individual documentation regarding employment services, job offers and vocational training for clients, preparing the documents needed in order to access the services offered and also establishing a direct and confidential contact with the employment agents.

In 2005, NAE functioned with a number of 3,475 persons, out of which 68% were represented by women. The managing staff represented 11.9% of the total number of personnel (Table 28 below).

Table 28. NAE staff structure by level of education

	Total	Level of education		
		Upper secondary education	Higher education – short duration	Higher education – long duration
NAE – central level	205	44	7	154
County agencies for employment, out of which:	3,155	1,304	162	1,689
- Local agencies and working points	2,208	910	93	1,205
- Vocational training centres	98	30	3	65
Regional centres for adults' vocational training	115	12	8	95
Total	3,475	1,360	177	1,938

Source: NAE

The insufficient financial resources remained an important obstacle in developing staff competences which could allow a compliance of the personnel skills with the requirements of providing specialised services. In 2004 the number of NAE staff which was trained was about 30% of the total number of personnel, while in 2005 the percentage was only 25%. This weight is not satisfactory since NAE, through staff training, wants to achieve: a continuous improvement of professional competences as regards labour market; the development of staff skills for face to face approach of working with clients (individual or by groups) and also skills for developing partnerships with all the major actors on the labour market (local and county authorities, social partners, NGOs etc.); continuous improving of knowledge within the area of ICT; the development of competences for monitoring the implementation of active measures etc.

In order to give the possibility of registering vacancies, PES launched in 2000 “The Electronic service for job mediation”. This programme was extended to the level of local agencies, but it is not any more complying with the labour market evolutions and requirements. Currently, the programme requires modernisation and adjustments in order to become an effective tool for active job searching and mediation.

Within the NAE system for career information and counselling, in 2005, 111,045 jobseekers registered with the agencies for employment have benefited from career information and counselling services (representing 17.14% of the total job seekers registered with NAE) out of which 5,737 have been counselled through private providers contracted by NAE.

The provision of vocational training represents one of the active labour market measures implemented by NAE. Despite the important role of the active measure for meeting the current labour market demands and for anticipating future labour market changes, their share in the GDP registered a slow decrease in the last years: from 0.16% in 2003 to 0.11% in 2005. The share of active measures expenditures in the Unemployment Insurance Fund expenditures was 19% in 2005 compared to 16.5% in 2004.

Opportunities for integration on the labour market through PES

The services offered on the labour market (Law 76/2002 regarding the unemployment insurance system and stimulation of employment) through active measures have been improved. As a result, the active measures have been diversified and fine-tuned and have expanded the category of beneficiaries eligible to receive free of charge training, business consulting, mediation and professional counselling, as well as soft loans.

PES has implemented a program designed to develop national information and counselling system in career development. The main objectives were the elaboration of specific materials for career development information and counselling, development of modern procedures to test and evaluate professional skills and interests and the training of counsellors in professional orientation.

Free training is offered to the people working in the rural areas, earning less than the unemployment benefit, returning to work after maternity leave, ending the military service, reinserting after a period of absence due to work incapacity, as well as to prisoners during the last 9 months of imprisonment and to foreign or stateless citizens legally employed during their residence in Romania.

e) Regional and Local Partnerships on Employment and Social Inclusion

With a view to promoting the partnership principle at regional and local level, during 2005-2006 there were set up 8 Regional and 34 Local Partnerships on Employment and Social Inclusion, aiming at promoting the local employment initiatives, improvement of vocational training and thereby, increasing employability, and, as well as fighting against discrimination on the labour market and promoting social inclusion for vulnerable groups.

At the level of each of the 8 Regions, in 2006, there are concluded Regional Pacts for Employment and Social Inclusion, and a Pact's Charter (PC) was signed. The PC proposes to approach the existing problems at regional level by applying the partnership principle which would represent the community's interests and the private sector's interests. At the same time, the PC promotes local employment initiatives with a view to maintain and promote the increasing of sustainable employment, to reduce unemployment, to fight against social exclusion.

Each Regional Pact on Employment and Social Inclusion will be supported by a Permanent Technical Secretariat, set up as non-profit NGO, providing counselling to the Pact's members in areas such as: elaborating and monitoring the Regional Action Plans on Employment and Social Inclusion and other relevant documents at regional level, supporting Pact's members as project promoters for submitting eligible projects funded from Community funds. Permanent Technical Secretariats are to be financed in accordance with the Action Plan for the increasing the Structural and Cohesion Funds absorption rate, and is envisaged to be supported from the European Social Fund, in line with the Community regulations.

f) Trends on the labour market

According to the demographic trends, the labour resources will be limited. It is estimated that the total population, after a decline in 2003 and 2004 by 0.3% each year, will decline even more, mainly on the medium term. The National Commission for Prognosis estimates that the total employed population in Romania will experience a slight decrease each year (0.1%). However, the working age population (15-64) will increase by approx. 0.2% each year, which will lead to increased participation rate.

The recent changes in the employment structure, namely the reduction in agricultural employment and the raise of the employment in construction and service sectors, will continuously expand during 2005–2008. The results will be:

- a reduction in non-payroll population involved in agriculture;
- an increased growth rate in services and construction sector.

The rising in number of the 15-59 years old age group and the pronounced decrease of 0-14 age group (as a result of the negative natural increase) cause the ageing of the active population, with consequences on the employment policies. Moreover, the number of 60 years old and over population registered also an important and constant growth during the last 15 years, thereby further contributing to the ageing of the labour force. The demographic changes modified the size and the structure of the working age population meaning that the available pool of labour force will start eventually shrinking, if not in the immediate future, for sure on medium term.

The evolution of labour productivity registered a positive, but insufficient trend, from 27.9% in 2000 to 35.3% in 2004. Most of the companies are basing their strategies on reducing costs, and not on increasing productivity.

The productivity trend in Romania is positive and in the years 2000 to 2003, labour productivity in industry increased on average by 11.6% per year. This is higher than in NMS such as Poland (9.8%), Czech Republic (7.7%), and Hungary (8.9%)²⁹. However, Romania is behind EU countries average, for most economic activities.

On medium and long term the active population declining and the ageing of the labour force are major trends which characterise the demographic evolutions in Romania, causing special economic and social issues. The reduction of the working age population may have as consequences, structural issues on the labour market. The demographic transition will reduce, progressively, the availability of human resources on the labour market.

The demographic and labour market trends will ask for an encouraging policy of the ageing population to remain active, but this will not work if the working people don't have the necessary skills according to the entrepreneurs' requirements.

The ageing of the active people needs new approaches on the relation between the age, on one hand and the productivity, labour organisation, increasing motivation, health condition preservation, diminishing of stress and risk of professional disease, on the other hand.

Special consideration should be paid to the education policy, human resources and youth labour market development policy, promoting the geographic mobility and competences.

The adaptation to the ageing process regards all the age groups, leading to the increasing of the appropriateness through the inclusion of measures which take into consideration the needs of one or another age group. The practices are focused on active ageing that implies education, life long learning and later retirement from the active life.

The reforms generating employment and growth will enable a better endurance in relation with the population ageing pressure and with keeping constant the rate of social benefits.

²⁹ Source: Central Statistics Office publication - Statistical Bulletin 2003/4

1.3 Social Inclusion

a) Current situation of the vulnerable groups on the labour market

- **General premises**

Starting especially from the 80's, Romania has entered into an impoverishment process of the population, accentuated in the transition period by two shocks: 1991-1993 and 1997-2000. The socio-economic evolutions registered in the last years have led to the poverty level of 18.8% in 2004³⁰, and the extreme poverty rate level up to 5.9% in 2004. The drastically reduction of the number of work places, the diminishing of the real level of salaries and the tax wedge in particular on the low-paid have represented important causes of incomes' depreciation. The increase of the life costs during 1997-2000 has not been accompanied by a proportional increase of the income, implicitly leading to severe poverty³¹.

In 2000, the living level estimated on the basis of the poverty threshold, represented 42.2% of the net average wage. Through its ascendant trend during the following years, the poverty threshold was 36.4% of the net average wage in 2003.

Starting 2001, a population poverty decreasing process has begun, but only during 2002-2003 this process produced positive effects over the categories with high level of vulnerability (see Chart 14, Annex 1).

- **Factors influencing the risk of poverty**

Social position and career. The analysis of the poverty level on individuals reveals a poverty risk reducing for the self-employed persons in agriculture, this social category being at a critical level in terms of deep poverty which is linked with the share of population (10.1%). During 1995-2004 the most significant reducing in poverty risk was registered for employers and employees.

Education level. Participation of individuals to a high level of education (College or University) almost wipes off the poverty risk. Each additional education level acquired reduces significantly the risk of poverty.

In terms of **age groups**, the poverty decrease in 2004 had an impact on all the age groups, mostly on the elders. If in 1995 the poverty risk was higher for the elders than for the young people and children, the most vulnerable groups in the latest years are by far, the young people and the children. Though, as a result of the important share of the elders among the population, a significant high number of this group is affected by the poverty. The elders' poverty level close to those economically "active" (25-64 years old) and the high poverty risk of the young people shows in Romania a proliferation of a poverty linked with the structural changes on the labour market (Chart 15, Annex 1).

Poor health status of population and illness has as result the decreasing of productivity, reduction of the time at work, less income. For the people having long period of illness the probability to find a job is weak, the effect being an accelerated increase of the poverty risk.

³⁰ Methodology to measure the poverty level was elaborated by the National Institute of Statistics, the World Bank and the Anti-Poverty and Social Inclusion Promoting Commission on the basis of the level of population consumption costs;

³¹ The severe poverty represents the lack of the resources to satisfy the absolute minimal living needs of an individual: food, shelter, clothes;

Poverty distribution by residence areas. In 2004, the biggest part of the poverty reduction was due to the decrease of this phenomenon's incidence in the rural areas, the poverty rate being lower by 10.7 percentage points or a poverty reduction by 28.1% compared to the previous year (Chart 16 and 17, Annex 1). Amongst the reasons for this decrease stand the cumulative effects of some measures implemented in 2004, such as raising the pensions of people employed in agriculture and the agriculture subsidies changed into cash payments for the previous year. Nevertheless, the disparities between the two residence environments continue to exist and the rural area is considerably affected by poverty. The poorest people are from the rural areas (66.7% of the total poor) and the poverty risk is much higher within this residence environment; yet, in the urban areas the poverty is deeper (the consumption deficit is bigger). The reducing tendency of the polarisation between the urban and the rural areas is revealed also by the severe poverty rates evolution (see also Table 29, Annex 1).

Poverty distribution by regions. The disparities between the regions by poverty level have been considerably flattened; the most vulnerable region, the North-East Region, is no longer detached from the other regions through poverty risk, like the previous period, due to the fact that this region was the most important beneficiary of the poverty reducing in 2003 and amongst the main beneficiaries of the poverty reducing in 2004 (Chart 18, Annex 1).

The attenuation of disparities is also noticeable between the group of the poorest four regions (North-East, South-East, South and South-West) and the less poor regions. The only region recording a distinct situation remains Bucharest Region, through the extremely low poverty risk (Table 30, Annex 1).

- **Children in child protection institutions**

In practice, the results of the Government Strategy for the Protection of Child in Difficulty are as follows:

- number of institutionalised children dropped from 57,181 in December 2001 to 27,188 in June 2006;
- number of alternative child protection services raised from 131 to 589, during 2001-2004;
- number of foster parents increased from 30,572 in December 2000 to 49,180 in June 2005;
- number of professional maternal assistance increased from 3,228 in December 2000 to 14,289 in March 2006;
- number of children in substitute families (professional maternal assistants, relatives including up to 4th grade) increased from 15,532 in 2000 to 23,847 in December 2006.

Moreover, 330 houses and 403 apartments have been opened where children benefit from a family type form of protection. The number of large institutions with more than 100 children, which was 205 at the beginning of 2001, decreased to 40 at the end of March 2006.

In its efforts to improve the quality of public care for children, the EU has financially supported Romania with around 160 million Euro over the last 15 years (between 1999 and 2003 the amount was 59.5 million Euro). As a result, the majority of the large residential establishments have been closed down and replaced with a selection of child protection alternatives ranging from smaller homes to foster care. Since 2001, an extensive (EU financed) public awareness campaign has taken place in order to inform the public at large and those responsible for child protection in particular of the alternatives to institutionalisation and the right of children to appropriate care.

- **Social inclusion of the street children**

Out of the existing data with respect to the street children, at the NAPCR level in September 2004, the following statistics are available:

- number of children living in the street together with their family: 225;
- number of children living in the street without their family: 606;
- number of children spending their life in the street without living in the street: 1720;
- number of the street social assistants: 95;
- number of services offered to the street children: 106.

- **Families with more than two children and single parent families**

These families represent another category of people confronted with a very high poverty risk. In 2003, poverty level has started to decrease visibly among families with more than 3 children (a 6.1 percentage points drop in poverty risk vs. 2002) (Table 31, Annex 1).

- **Young over 18 leaving the State Child Protection System**

At the national level, social and professional integration of young people who leave the child protection system is a very important undertaking. For a very long time there was no solution for these teenagers, who had to leave the institutions without having the perspective of a home, a place to work and without the adequate skills needed to obtain and to integrate themselves within society.

Of the total number of 32,456 protected children within the public and private childcare institutions, at the end of March 2005, 12,148 persons were aged between 14 and 17 years old, and 6,329 were over 18 years old.

In order to prepare teenagers and young people for life, within the Child Protection Directorates' structure, specific services³² were developed. At present, at the national level, there are 50 specific services, and some projects regarding the development of these services are carried out. The 50 services mentioned above are addressed to the teenagers and young people from the State Child Protection Service, and operate in 22 counties. These are Counselling Services, specially designed to develop the teenagers' necessary skills for an independent life. These Centres' specialists cooperate with the personnel from the Placement Centres, monitoring the activity from this point of view. In April 2004 the minimum compulsory standard requests for the developing of the teenagers' necessary skills for an independent life were established for the Counselling Services. During 2005 training sessions have been organised for the personnel working in these services.

- **Roma population**

Roma community is the second largest ethnic minority after Hungarians. The 2002 Census recorded 535,140 Roma, respectively persons that voluntarily assumed the Roma identity. Data from 2002 Census also show that 60.1% live in rural areas. Independent estimates made by Romanian and foreign sociologists as well as by Roma representatives indicate a Roma population of 1-2.5 million persons. The 2004 Progress report prepared by the European Commission estimates the Roma population between 1.8-2.5 million persons.

³² In accordance with GEO no. 26/1997 approved by Law no. 108/1998 regarding the protection of the child in difficulty

According to social studies conducted, Roma has the weakest self conscience and awareness as compared to all other large ethnic minorities in Romania. According to the Ethnic Relations Barometer, published in 2002, about 33% of the Roma population identify themselves as Romanian, 37% as Roma, while the remaining population assumed with the local/regional identity.

Significant changes for Roma population, as well as the existing gap between realities and official statistics are explained by the fact that many Roma prefer to voluntarily assume the Romanian identity for enjoying a better social statute and for distinguishing of the less educated Roma mass population.

Roma population lives in extreme poverty. The poverty risk in Roma community is 3 times higher as compared to average risk at national level in 2003. A World Bank Report states that in 2000, about 68.8% of the Roma population lived with less than 4.3 USD per day. A significant part of Roma communities cumulates a large spectrum of social disabilities: low education attainment or no education, low or no qualification, history of non participation in formal education, high number of children, poor living conditions, low experience on the labour market etc.

The recorded poverty level for the Roma population in 2004 is still above the level recorded in 1995 and at a very big distance from all the other ethnic categories, 3 of 4 persons being poor. In 2004 about 74.3% of the Roma population faced a high level of a poverty risk, social exclusion and marginalization, as a result of a chronic developing disparity, sustained by the maintaining of a discriminatory attitude. The evolution of the percentage of Roma population facing the poverty risk recorded a general decreasing tendency during 2001-2004 (Chart 19, Annex 1).

○ *Roma employment*

The weak participation level on the labour market represents the key-problem of the Roma population. According to the official data from the “Housing and Population Census 2002” only 122,573 persons representing 22.9% of the declared 535,140 Roma people are part of the active population. Out of these, only 71.5% represent employed people, the rest of almost 28.5% being unemployed, seeking for a job. About 41% of employed were working in agriculture (of which one third are women) and 31% are unskilled workers.

Within the Roma population, major vocational training deficiencies are recorded. More than 70% of the Roma population has no qualification or they develop activities which do not require a formal vocational training.

The high share of daily workers in the total Roma population (41.7%) indicates the fact that they are in a difficult situation with respect to employment and implicitly, to ensuring the minimum income for their basic needs³³.

There are lots of persons with no experience of a legally admitted economic activity, or had long periods of unemployment (more than 50% of Roma have been unemployed for over 27 months³⁴ while the employed people proportion is very low (only 13% of the medium income of the Roma families, compared to the beginning of the transition period). The main income sources are those by chance, mostly from the informal economy, which cannot ensure but a precarious survival: occasional activities, daily workers, etc. An important part of Roma families' income is from social benefits. According to recent surveys, the real unemployment

³³ Research Institute for Quality of Life, „Indicators on the Roma Communities in Romania”, Bucharest, 2002, p.12;

³⁴ Census, 2002;

rate for the Roma communities is only 24%, as very many Roma people develop activities in the undeclared economy. According to the same survey, 16% of the Roma persons live exclusively out of the State social benefits³⁵.

Regarding the Roma women employment, there are some disparities compared to the Roma men situation. Thus, of the total number of the employed Roma population, women represent less than one third³⁶. Also, the weight of the housekeepers within the Roma women is 4 times higher than the national average³⁷ (Table 32, Annex 1).

○ *Roma children education*

The poor living conditions and low incomes of Roma population produced effects in terms of participation to education and educational attainment of this community. Thus, school drop out and non participation in education is more frequent in case of Roma population as compared to the national average. In case of Roma community, about 12% of children within 7-16 years old age group are leaving school before graduating compulsory education, while about 18% are not enrolled in any form of education.

As a whole, about 80% of the children not enrolled in any form of education (within the 7-16 year age group) are members of the Roma community³⁸. Out of the total Roma population aged 7-16 years, 18 % have never been enrolled in school and 12% have dropped out school before finishing compulsory education. More than one third of the Roma (38.6%) are affected by functional illiteracy³⁹. Apart from the material causes (of economic or logistical substance), the educational level of the parents and elder Roma heavily influences participation in education of current Roma youngsters. Also, the non participation in pre-school education and deficiencies in communicating in Romanian of many Roma children affect their performances in education. Some discriminatory practices of teaching personnel in relation with Roma population, among which Roma segregation in separate classes, produce the same effect in terms of participation to education and integration of Roma children⁴⁰.

During the 2002/2003 school year, Roma pupils represented about 4.23% out of the total pupils enrolled in national education and training system. The analysis of the data available per education levels indicates the following: lower participation in pre-school education as compared to participation in primary education, declining trends in terms of participation in education from gymnasium to the upper secondary education, level in which participation rate of Roma population is about 1.04% (internal reports, MoERY).

In 2003/2004, about 20,528 of Roma pupils expressed their options for an additional curriculum for Romani language, literature, traditions, history. Projects aiming at reducing the drop out and stimulating participation in education of Roma population were developed by the MoERY. The teaching of Romani language intensified. There are estimates showing that, in the school year 2004/2005, about 18,000 pupils are studying Romani language, representing about 10% of Roma pupils in education (according to official records). Unlike Hungarian minority which expressed their options for separate schools for their members, the Roma community refused this form of the organisation of education.

³⁵ See Dena Ringold, Mitchell A. Orenstein, Erika Wilkens "Roma in an expanding Europe-Breaking the poverty cycle" Conference Edition, Washington, 2003, p. 73;

³⁶ Idem 31;

³⁷ Research Institute for Quality of Life, „Indicators on the Roma Communities in Romania”, Bucharest, 2002;

³⁸ MER, Institute for Education Sciences, Research Institute for Quality of Life, UNICEF, "Participation to education of Roma children", Bucharest, 2002, p.47;

³⁹ "Roma people in Romania" 2002, CASPIS;

⁴⁰ Ministry of Education and Research addressed this issue through Minister Notification no. 29323/20.04.2004, regarding the interdiction of the Roma children segregation;

The sensitive issue is that, generally, the Roma population lives at outskirts, ill famed neighbourhoods and the schools located in these areas, in which Roma children are learning, provide poor learning conditions. In these schools of which population is mainly Roma, the repeating rate is about 11.3%, above the national average indicator.

- **Disabled people**

Before 1989, there was little mainstreaming on the people with disabilities in Romania. Available information was limited to acknowledging the existence of people whose social inclusion was very difficult due to their physical, mental or associated disabilities. The state simply chose to institutionalise the persons with disabilities in “special centres” and did not care to involve or assist the family or the community concerned in dealing with the matter.

Share of persons with disabilities of the total population has maintained around 1.8%-1.9% between 1999 and 2005 (Table 33, Annex 1). A review of the data for 1999–2005 reveals an increase in the number of persons with disabilities to a peak of 23,572 in 2001 vs. 2000, followed by a constant decline during 2001 – 2003 (Table 34, Annex 1). The last years of the reference period registered an increasing number of persons with disabilities.

In 2000, the tendency to apply a much too broad definition of what disability and disability levels were led to a situation where any older person suffering from age-related illness could easily be classified as disabled. As a result, figures reporting the estimated number of the disabled persons in Romania started to soar uncontrollably. That called for a tightening in the legislation on this matter and for a more precise definition of the term “disability”. Two legal acts have been adopted. The result was that in 2003, figures went down to more realistic values. Statistics for 2003 show a decrease and for 2004 a slight increase in the number of persons with physical, somatic, hearing and visual disabilities, except for the number of people with mental and neurological disabilities which is constantly raising (World Health Organisation estimates for 2020 show that bipolar psychosis will become the third cause of mortality in the world).

In 2004, 19,949 disabled persons were living in residential institutions. The staff working in these institutions was 13,031 employees (as compared to 16,071 needed) which illustrate 19% understaffing per beneficiary. The proportion of employed staff per beneficiary is not enough (0.65%) to ensure quality services for the assisted persons with disabilities. The number of staff involved in assistance of the disabled people is insufficient (due to lack of funds), both in terms of support and rehabilitation personnel.

There is a serious shortage of social workers, psychologists, counsellors, ergo-therapists, advisors etc. Medical and administrative staff is prevailing, which demonstrates a greater concern for the medical assistance of the patient and little or no care for his/her social inclusion. Lack of funds is yet another cause of the limited capacity to supply the amount of staffing according to the standards.

The decrease in the number of disabled people living in residential centres and the increase in the state support allocated to families to encourage them to keep the disabled person in their own care is still limited by the underdevelopment of the community services in terms of coverage, diversity and quality. The number of day centres at country level offering therapy services and social inclusion programs to the handicapped is extremely small (4 centres).

○ *Disabled people with personal assistants*

With a view to stimulate family support to the people with disabilities, the Government Emergency Ordinance no. 102/1999 provides for the possibility to hire personal assistants for the disabled.

An important issue in this field is the qualification of personal assistants. Most of them are members of the families of the disabled person, so the benefits paid by the state represent a form of indirect family aid. The advantage in this case is that the assistant is available around the clock to cater for the needs of the assisted person. On the other hand though, family assistants do not have the special skills required by the kind of activity they are performing. Personal assistant qualification started in 2001 following the passing of specific legislation. The data available as of 2003 show that 23% of the total personal assistants attended training courses, but there is no information about the quality assessments on the results of the training.

○ *Employment of persons with disabilities*

Until 2002, the employment rate of people with disabilities had never been analysed. Moreover, employment of the disabled had never been an active and coherent policy addressing the special needs of the persons with disabilities. Therefore, there is no data or information available describing the evolution in the employment rate among the disabled people during 1999 and 2002.

On December 31, 2004, the NAPD statistics showed that 11,872 persons with disabilities were employed (Chart 20, Annex 1). The records are based on the data supplied by the public social assistance services in the country and in Bucharest and by the Association for Blind People of Romania.

Until 2004, there had been authorised a number of 40 protected manufacturing units in 11 counties including Bucharest, covering a wide range of activities from the manufacturing of brushes, cardboard packaging, brooms, furniture, modular prosthesis, wheelchairs to printing, embroidery, clothes, tailoring, locksmith and repair works etc. There are still 28 counties in the country without any authorised protected manufacturing units; there are instead a large number of workshops employing persons with disabilities now pending authorisation. The expansion of the network of protected manufacturing units should become a priority for both the public social assistance services and the NGOs. At the end of 2004, 1,152 adults with disabilities were working in the protected units out of the total of 11,782 persons with disabilities employed.

The 2003–2004 job fairs for disabled show that, in spite of an increase of about 43% in the number of job offers, there are no significant differences in the number of the disabled persons employed. Thus, while in 2003 there were 7,461 job offers resulting into 284 hires, in 2004 these figures stood at 10,696 and 294 respectively. What was obvious each time is that job offer was not adapted to the qualification and the abilities of the disabled person.

b) The General Situation in the Social Assistance

A characteristic of the social welfare system in Romania is the increasing participation and contribution of non-governmental organisations and other social partners in social protection actions, in a situation where the Government cannot ensure but a limited financial support to cater for the social needs of the population and a small number of organisations. To remedy this, the European Commission has through Phare multi-annual programme 2004-2006 for

social services established a clear objective to strengthen the capacity of public authorities in the provision of services. By the end of 2006, 109 contracts have been concluded for social services delivery submitted by county and local authorities, most of them in partnership with NGOs.

The Government Programme 2001–2004 and the Priority Action Plan for European Integration for 2003 and 2004 included a set of measures designed to tackling social exclusion and promoting social inclusion, also by elaborating a set of legislative regulations meant to ensure coherent system building, effective management, ongoing improvement of the various measures meant to financially support families, children, persons at social exclusion risk and to consolidate and further develop the national social service network.

With a view to strengthening the role of public authorities and increasing the quality of the social services delivered, the Government Programme 2005-2008 provides for the compulsory training of the personnel in the social services system. Moreover, the Government Programme aims at commissioning the services and at enhancing the co-operation with the non-profit organisations, as well as at institutionalising the innovative practices, in a coherent system. It is expected that the implementation of these measures will result in a more efficient and diversified system of social services, well connected to the realities of the Romanian society.

- **Social services system designed to reducing of marginalization and social exclusion**

The social services system represent “a complex set of measures and actions that are implemented in response to the demand for social assistance of individuals, families or groups of people, designed to help them overcome difficult situations, to preserve individual autonomy and protection and prevent marginalisation and social exclusion in favour of social inclusion”.

The achievement of a common framework for the organisation and co-ordination of the national social assistance system, with the inclusion of the whole range of issues on this matter (protection of family, child, handicapped and any person in need) proved an absolute necessity. With joint assistance from international and local organisations, a set of NGOs active in the social assistance field were set up. Some of them have developed and reached a high performance and competence level that are very instrumental now for further development of the sectors, whereas others failed due to lack of resources.

In spite of the recent positive evolution the system is still fragmented and the range of social services available at the moment is still very limited.

c) Equal Opportunities

The 2002 Census in Romania revealed that women accounted for 51.3% of the population. At present, due to decrease in birth rate and the decrease of the population aged 0-14, the number of women in the rural area seems to be decreasing whereas in urban area it has a slight upward tendency (Table 35, Annex 1).

- **Employment rate for women**

In 2000-2005, the share of women in total employment in Romania has registered a slight decrease from 46.4% in 1999 to 45.2% in 2005 (Table 36, Annex 1).

Employment rate for women aged 15 to 24 is the lowest compared to other age groups and is comparable with the employment rate for men in the same age group.

In terms of part-time employment compared to EU indicators, differences are high (Table 37, Annex 1). Part-time working women accounted for only 10.5% of the total female population employed in 2005 compared to 32.4% in EU-25. In 2005 the share of male population working part-time was above the EU-25 and EU-15 average (9.9% in Romania vs. 7.4% in EU-25 and 7.7% in EU-15).

Violence and discrimination at work may take various forms and are perceived differently in Romania compared with the Member States. Physical violence at workplace (index Q.28.1 and index Q.28.2) affects men more than women both in the acceding and candidate countries (NMS-10 plus Romania and Bulgaria) and in EU-15. Compared with acceding and candidate countries, where 1% of employees have been affected by violence from people at their workplace and 3% from people outside their workplace in the last 12 months, in Romania these percentages are higher, namely 1.5% and 4% respectively, but are below the EU-15 averages (2% and 4% respectively).

Sexual harassment at work affects women more than men. In Romania sexual harassment is 3% compared to 2% in NMS-10 plus Romania and Bulgaria and 2% in EU-15.

- **Women income**

Women income in Romania ranged between 82% and 83% of men's income between 1999 and 2003, but rose to 87% in 2005. In the last decade, women over men wage ratio has seen ups and downs depending on the type of activity, with decreases in some areas (e.g. financial & banking system where women are prevalent) and increases in other (e.g. public administration).

An examination into the employment structure by gross wage earnings and sectors in 2005 has revealed that 57.1% of the female employees were earning less than the gross average wage, firstly because they were mostly employed in sectors such as textile industry and food industry where wages are low and secondly because women prevail on the low paid job market.

In 2005, out of the total industrial employed population, 43.1% were women. The activities specific for women are those in health and social assistance (77.2%), education (73.3%), hotels and restaurants (65.4%), brokerage (64.7%) and trade (54.1%).

- **Women unemployment**

During 2002–2005, female unemployment fluctuated between 7.7% and 6.4%. This compared to 9.8% in EU-25 and 8.9% in EU-15. In comparison with female unemployment in the same period, male unemployment was consistently higher by 1.2 percentage points in 2002, 1.1 percentage points in 2003, 2.1 percentage points in 2004 and 1.3 percentage points in 2005. As to the ILO unemployment rate in 2005, for the age group 15-24 years, it recorded the value of 20.5% for men, respectively 18.4% for women. For the same age group, as compared to 2002, in 2005 the ILO long-term unemployment rate (6 months and over) decreased for women by 3.7 percent points and for men by 0.2 percent points.

1.4 Health

The analysis of relevant statistical data of the last 10 years shows an unfavourable position of the three major components of population dynamics – birth rate, mortality and external migration, a deterioration of the entire demographic construction, and a tendency to enter an imminent demographic crisis – direct or indirect results of the entire political, economic and social context of the transition period. Against this background, health system's incapacity to appropriately and concertedly react to these challenges has played an important role in the evolution of data.

In the last decade, the birth and mortality rates have deteriorated and will over time affect the demography and have an effect on the labour market. In Romania, the general mortality indicator has increased surpassing the birth rate and thus, starting 1992 a natural population deficit and ageing of population have been registered. The birth rate decreased from 13.6 infants per 1,000 inhabitants in 1990, to 10.2‰ in 2005 and there was a significant increase in the death rate from 10.6 deaths per 1,000 people in 1990, to 12.1‰ in 2005. During 2003-2005, the average life expectancy in Romania was of 71.76 years (NIS, Romanian Statistical Yearbook 2005), with significant male-female differences, against the EU-15 average life expectancy of more than 75 years for men and 80 years, for women. The health system has been unable to cope in due to lack of capacity and poor facilities. Moreover, during the last years has been recorded a shortage of doctors and medical staff caused by the external migration. During recent years there has been a trend for trained medical staff to migrate abroad in order to benefit from higher salaries. There are no formal statistics to support this, but it is a well-known fact amongst academics.

The main factors leading to the present state of facts are the difficult socio-economic conditions during the last 20 years of communist regime and the 17 years of economic transition and transformation. Moreover, health status is influenced by other policies and sectors such as social policies, environmental policies, education etc. The unhealthy life-style, culture for health deficiencies, the aggressiveness of environment changes and last but not least, the lack of performance and proficiency in the medical field and a poor sanitary system, which has been unable to cope, mainly due to lack of capacity and poor facilities.

As regards the morbidity, new illness cases registered in 2005⁴¹ show that respiratory disease has the main incidence (36,146.4 new cases per 100,000 persons), followed by digestive disease (7,196.3), the mobility disease (5,075.8), the nervous and sensory system (4,733.7) and circulatory disease with 3,453.4 new case per 100,000 persons. The raise of morbidity could be explained by the influence of external factors, such as: socio-economic factors, environment and life-style.

The need is to improve the country's poor health infrastructure and promote the efficient provision of services that will support economic development in the regions. The actions will look at ways to improve the levels of services and supply the appropriate technology to support modernisation of the medical services.

There are inequities in health services access between the urban and the rural areas. Thus, in the rural areas, the number of doctors is 5 times less than in urban areas. In 2005, Romania recorded 188.9 doctors/100,000 inhabitants, with severe unbalances between urban (301.4/100,000) and rural areas (58.2/100,000). There are also significant regional differences

⁴¹ Ministry of Public Health statistics, 2005

in the provision of services. Life expectancy in the urban areas is higher than in the rural areas. Health services in the rural areas are affected by the reduced number of medical staff (less than 15% of the medical staff serving 44% of the country's population). The number of medical units in this area is also decreasing.

Due to the poor infrastructure and the deficiencies in the specialised training of the medical staff, there are significant burdens with medical cases at the level of county and university hospitals that could be solved at lower levels (local level or ambulatory).

The existing poor medical conditions affected the general health state of the population, particularly in rural areas, which had as a consequence the low participation rate on the labour market as well as a precarious active ageing. Children are equally affected by the lack of medical conditions, which lead to poor attainment rates in education in certain communities.

A good health condition is essential for participation in economy and represents a means for ensuring decent living standards for the family members. Consequently, illness may open the vicious circle of poverty for people at risk of social marginalization. At the same time, the mentalities and the insufficient developed health care culture have as a result the exposure to premature illnesses and hazardous accidents.

Changing attitudes includes increased awareness of patients' rights and responsibilities, less tolerance of discrimination and a reduced deference towards health care professionals. There is widespread evidence of a need for greater choice and more individualised services, access to a wider range of medical treatments. It is important to correctly assess and address the underlying health needs of the population, as this can contribute to the elimination of ineffective, or even detrimental, health services from being provided and administered.

1.5 Previous experiences in pre-accession assistance

In general, the pre-accession assistance provided on HRD and institutional building meets the post-accession needs. The assistance has been generally effective and numerous activities have been implemented and output delivered (see Annex 2).

Institutionally, Phare programmes have contributed substantially to strengthening the administrative capacity at central, regional and local level by improving legislation, providing training and seminars, endowing with equipment, computers, software etc.

As regards the education sector, the most important outcomes of Phare/pre-accession implemented projects consisted of:

- Tools and solutions for increasing access to education for disadvantaged communities - second chance education, School Mediator for increasing participation to education in disadvantaged communities, particularly in case of Roma communities, the development of the concept of “inclusive education”;
- Development of instruments for planning and quality assurance in initial VET - instruments for planning in initial VET (REAP and LEAP), instruments for quality assurance, development of vocational standards and curricula for qualification levels 1, 2 and 3, advanced post-secondary non university education, in Phare TVET 2001/2006, IB component. Additionally, under Phare TVET projects investment components have been funded;
- Development of partnerships in planning initial VET: Regional Consortia for the Development of initial VET are the outcomes of a Phare TVET projects.

In the labour and social sector, the main institution building objectives were:

- Improving the capacity and information flow within the MoLFEO at all levels and establishing the appropriate community services;
- A national mechanism for promoting gender equality, co-ordinated by the National Agency for Equal Opportunities for Women and Men;
- Improving the social security system for migrant workers;
- Setting up the National Fund for work accidents and occupational diseases, including an information system;
- Strengthening the MoLFEO capacity to promote and develop the bipartite social dialogue;
- Setting up an unitary and harmonised legal system under the new Labour Code.

The Phare 1997 pre-HRD scheme focused on relevant measures to promote human resources measures in companies. The evaluation showed that in spite of many good individual examples, the impact at system and enterprise level has been limited.

The Phare 1998 HRD grant scheme evaluation showed that CVT has been stimulated by the call for applications, and there has been also a positive impact on employment in many cases. However, the evaluation has not been able to demonstrate how structural these effects have been.

The Phare 2000 HRD programme stimulated the interest for human resources development and the participation of various organisations. The programme focused more on the leverages of structural change, understanding better the role that service providers, beneficiaries, target groups and other groups play in the success of ESF measures. The training measures have occupied a very important place within the Phare HRD 2000 projects and the trainees were

largely employees (64.5%), 17% of the beneficiaries were unemployed persons and 13.1% were disadvantaged categories.

Under Phare 2002 Programme (Institutional Building) it was implemented the twinning project “Support to the Ministry of Labour, Family and Equal Opportunities to strengthen the administration capacity for implementation of European Social Fund (ESF) type activities”. The specific objective of the project was to prepare the MoLFEO as future Managing Authority for the SOP HRD and the NAE and MoERY as future Implementing Bodies for their role to manage the implementation of ESF programmes in accordance with the EC regulations.

The most important objective was to reach a common understanding of procedures, institutional structures and strategic importance for the future programming processes. Hence, it was oriented at the elaboration of a manual describing the methodology for drafting the programming documents with particular focus on the SOP HRD. These processes were accompanied by different training measures, with a special focus to enable and support the Romanian partners in the preparations for drawing up the SOP HRD.

Under Phare 2003 Programme there was developed a grant scheme of 7.74 M Euro to facilitate the access on the labour market of unemployed workers (youth and long-term unemployed) and to increase the level of the labour force skills based on training and retraining according to labour market requirements. The Phare 2003 Programme financed also the creation and the development of regional and local partnerships in employment and social inclusion.

Starting with 2004, investments in HRD are more significant. Under the Phare multi-annual programme 2004-2006, the Social and Economic Cohesion projects under “Development of the Human Resources” priority are implemented in three main areas: the structural unemployment approach (22.92 M Euro), the improvement of the labour force adaptability on long term (33.51 M Euro) and combating the social exclusion (30.78 M Euro). In the same programme, the priority “Building the institutional structures in order to achieve, upon accession, sound and efficient management of EU structural instruments, and efficient management of programmes under EDIS requirements” benefits from a financing of about 7.75 M Euro.

As a strong point, the main conclusion of Phare programmes implementation related to the HRD, especially on training matters, is the existence of a high interest for training to be financed. Although a better management of human resources becomes absolutely necessary, there are not enough available incentives for continuous training. There is still a poor recognition among employers of the importance the employees’ competences and qualifications play in the enterprises’ competitiveness (and, obvious, on the management by competences). Such a poor state of awareness makes difficult the elaboration of training curricula in relation with the company development plan, mainly in SMEs.

The lessons learned from the Phare experience have lead the Romanian authorities to the understanding that it is really necessary to have a pro-active approach in assisting project promoters (management, reporting, clarifications on contracts, financial issues, procurement rules, monitoring and evaluation), a better communication, a more careful project selection and monitoring, with relevant indicators, which should allow for the reduction of the number of high risk projects from the point of view of their viability and sustainability. Technical assistance and appropriate support in preparation of the applications and implementation is needed for increasing the absorption rate. It is equally important to motivate the local

authorities for a more active involvement in activities of the projects and to create incentives to increase the participation of the unemployed and disadvantaged categories to HRD projects.

Evaluation reports of Phare projects supporting the progress made in initial VET revealed that the difficulties in finding out the economic growth strategic trends led to limited impact of the Phare TVET investment since youth employment rate is still low. Results in inclusive VET were not the expected ones due to the fact that teaching staff did not receive enough or any methodological training, differences in economic development between rural and urban areas and the lack of forecasts related to economic development strategies for the rural areas make it difficult to plan and develop a VET supply relevant for such areas. The quality of education in rural area is still lower due to the fact that material and human resources could not be totally and properly assured to the high number of the newly established VET schools. Related to the implementation mechanism, it has to be said that difficulties have been encountered in the inter-institutional co-operation, in time and with relevant contributions. The participation of social partners has been too limited compared to roles they have to play. Also, the procedures have been partially applied by different institutions with roles in pre-accession funds management.

Phare experience highlighted, also, the rigor needed in using the EU financial aid, created the basis of partnership in tackling the social issues, set up and developed the system of project management, technically and financially, improved the control system of expenditures, and represented the first exercise of multi-annual programming.

The process of improving the capacity building of the Managing Authority, Intermediate Bodies and to support the beneficiaries will benefit of pre-accession assistance under Phare Multi-annual Programme 2004-2006, Priority E “Support to EU Funds Management – Support for Managing Authorities and Intermediate Bodies”. Three major Technical Assistance projects will be implemented (see Annex 2). Additionally, within the European Commission Representation in Romania has been set-up the Phare Transition Team. This structure provides to Managing Authority training, coaching and responds to requests in clarifying unclear issues related to the implementation of EU aid.

The Managing Authority for SOP HRD is fully aware of the significant challenge lying ahead and has learnt the right lessons from the pre-accession programmes. It will ensure that all institutions know their role, duties and related responsibilities. Staff recruitment, training, setting up of clear procedures, etc were recognised as crucial pre-requisites for an efficient and correct management of the funds. Until the termination of pre-accession assistance in 2009, the Managing Authority will ensure the coordination between the two instruments, PHARE and ESF, and all Phare experience will be taken into consideration.

2. SWOT ANALYSIS

The analysis of the current situation in the field of human resources and employment has revealed a series of characteristics concretised in strengths, weaknesses, opportunities and threats.

Strengths	Weaknesses
<ul style="list-style-type: none"> - Macroeconomic stability; - The completion of privatisation of state owned economy; - The EU membership; - The continuous increase of Foreign Direct Investment; - The high rate of SMEs share in total employment; - The increasing attractiveness of Romania economy due to sustained economic growth and accession; - Reduced labour costs as compared to the EU; - Continuous and sustained extension of information technology and communications market; - Human resources with high qualification in IT and engineering fields; - County strategies for improving access to education for disadvantaged groups; - Legal framework outlining the main measures concerning social inclusion; - The active involvement of NGOs sector in promoting services on the labour market and social inclusion of people belonging to vulnerable groups; - Existing national programmes aiming to support the categories of vulnerable persons; - Experience in using pre-accession funds; - Regional and Local Action Plans for TVET development; - Regional Action Plans for Employment and Social Inclusion; - Regional and Local Pacts for Employment and Social Inclusion. 	<ul style="list-style-type: none"> - Relatively high levels of school drop-out and early school leaving; - Limited capacity of various providers, particularly schools and universities to offer continuous education and vocational training; - Insufficient adequacy of qualifications and competences to the labour market needs; - Limited adequacy of national tools and specific mechanisms to quality and qualifications development to the European level; - Low adaptation of the pre-service and in-service education and training offer; - Insufficient development of health and safety at work; - Low degree of involvement of the social partners in specific human resources development programmes; - Low level of participation to CVT; - Limited effective partnerships of universities with research and technological centres and enterprises; - Limited entrepreneurial culture; - Insufficient development of the PES, relatively poor quality of services provided - especially in vocational training, in order to meet the dynamics of the labour market; - High participation rate in agriculture, especially in subsistence agriculture; - Relatively high number of people working in informal economy; - Low mobility on the labour market; - Low level of participation in temporary working activities; - High level of youth unemployment rate and long-term unemployment rate, especially for youth and those located in rural areas; - Insufficient integration of vulnerable groups in education, training and on the formal labour market; - Insufficient development of community services able to address the needs of the persons belonging to vulnerable groups; - Remote areas that need to be re-connected to education and employment; - Low inclusion in higher levels of education and training and on the labour market of young people over 18 that leave the state institutions for child protection.

Opportunities	Threats
<ul style="list-style-type: none"> - New investment sources – Structural Funds; - The acceptance in EU of Romanian professional qualifications; - Increasing internal demands of services and products; - Increasing importance of knowledge based economy; - Restructuring of the education system; - Increased participation in post-graduation education; - Setting-up an institutional, legal and financial framework, favourable to the SME's development and the private initiative and attractive for investments; - Continuing of the process of public services decentralisation; - Existing co-operation and partnership of different stakeholders in education and training in order to ensure increased access on the labour market; - The strengthening of the NGO sector; - Possibilities to mainstream experiences and good practice acquired in pre-accession programs related to access to education, development of human resources within education, modernisation of the technical and vocational education and training, as well as achieved in the Community Programmes. 	<ul style="list-style-type: none"> - Unfavourable demographic trend; - Limited absorption capacity of structural funds/difficult adjustment to the structural fund requirements; - The migration of certain industrial sectors towards external locations with more reduced labour costs; - The external migration of skilled workers or /and workers with high educational levels; - Low economic and enterprises' competitiveness as compared to the EU partners with consequences in creating jobs and so in diminishing the attractiveness of education and training; - Increase of poverty levels triggered by the increase in prices of products and services; - The further restructuring of economic sectors that may result in major lay-offs; - Unattractiveness of the teaching career; - Possible increase of inequity in education and training provisions as result of decentralisation process; - Low management capacity of educational and local administration authorities to promote and support reforms, better regulation and good governance; - Poor health status of the population.

The SWOT analysis shows the general context in which the SOP HRD will operate, as regards the elements that supports the achieving of its objectives, the areas where further intervention is needed as well as the least favourable aspects that could imperil its implementation.

The Analysis chapter presented the most relevant data concerning education, participation in CVT, employment and unemployment rates, the current situation of PES, the situation of vulnerable groups as regards their participation in education and on the labour market.

The Priority Axes and the Key Areas of Interventions identified in the Strategy build on the strengths provided by the SWOT analysis, as well as an overall favourable context for economic development, a well trained staff in the ESF management, and a knowledgeable civil society as regards the implementation of ESF projects.

However, the areas that will be supported from ESF funding resulted from analysing the weaknesses concerning the development of human resources in Romania, as well as from the strategic objectives that Romania, as Member State, has during 2007-2013 programming period. The need to provide support for the least developed regions in Romania with a view to reduce the gap in relation with the other more advanced regions - as an objective of the EU cohesion policy, was balanced by the Lisbon objectives of increasing competitiveness and promoting the knowledge-based society.

With a view to reaching these objectives, the ESF interventions shall support the sectors that face the most serious difficulties, as shown by the indicators and the trends in the past five years. Alongside the national efforts, SOP HRD shall aim at providing quality education and CVT in forms that respond better to a larger number of people, promoting employability, adaptability and flexibility, as well as promoting increased chances on the labour market for groups at risk of social marginalisation.

The weaknesses identified in the SWOT analysis shall be approached in the Priority Axes and the Key Areas of Interventions set up. The balanced distribution of the ESF funds among the three SOP HRD priorities indicate the concern for tackling all aspects regarding human resources development and for giving more impetus to areas that are vital for ensuring solidarity, social cohesion and partnership.

3. STRATEGY

The strategy on Human Resources Development is based on the analysis of the current situation in this field and on the SWOT analysis.

The OP also took into account the Revised Lisbon Agenda, the Community Strategic Guidelines for Cohesion 2007-2013, the European Employment Strategy, the Integrated Guidelines for Growth and Jobs 2005-2008. The SOP HRD is developed according to the 4th thematic priority of the National Strategic Reference Framework 2007-2013 (“Development and more efficient use of Romania’s human capital”) for the “Convergence” objective and follows the Government Programme 2005-2008 in the field of human resources.

According to the strategy outlined by the NSRF, increasing economic competitiveness requires a more effective utilisation of human resources. In response to the structural labour market problems linked to the low participation rates and a lack of skilled workforce in specific regions and occupations, a strong focus will be given to the promotion of human resource development for the labour force as a whole. Accordingly, in line with the revised European Employment Strategy and the conclusions set in the Joint Assessment Paper (and its follow-up Progress Reports), high priority will be attached to delivering active labour market policies which target the unemployed (including youths, long-term unemployed and older workers), the low skilled, the vulnerable groups as well as the inactive population.

The human resources development will focus on increasing investment in education and skills, attracting and retaining more people in employment, increasing labour supply, improving adaptability of workers and enterprises, promoting the social inclusion of the vulnerable groups.

The concrete actions that will be promoted will address the development of new professions and professional standards in education, promoting the entrepreneurship, strengthening the partnership with social partners, promoting continuous vocational training, promoting active employment measures, combating hidden unemployment, modernisation of the Public Employment Service, promoting social inclusion in education and on the labour market.

Moreover, the SOP HRD will promote the entrepreneurship, the university-enterprise co-operation, the adaptability of workers and enterprises. There will be reinforced the participation of long term unemployed in the labour market and there will be supported sustainable communities through promoting social economy.

The situation in the rural areas will be particularly tackled since a large percentage of active population is living in these areas. The phenomenon of hidden unemployment and under-employment raises concern and requires specific action in relation with identifying and maximising all opportunities for integration of long term unemployed in the labour market. Thus, there will be created new niches of non-agricultural employment in rural areas to which large categories of inactive population will have access.

The strategy on human resources development is in line with the **Community Strategic Guidelines on Cohesion 2007-2013** and stands as an essential component in reaching the overall Community objective for growth and more and better jobs.

The relation between the SOP HRD and the CSG 2007-2013 is presented below:

CSG 2007-2013 Priority Axis (PA)	Attract and retain more people in employment and modernise social protection systems	Improve adaptability of workers and enterprises and the flexibility of the labour market	Increase investment in human capital through better education and skills	Administrative capacity	Help to maintain a healthy labour force
PA1 Education and training in support for growth and development of knowledge based society			<ul style="list-style-type: none"> - Access to quality education and initial VET - Quality in higher education - Human resources development in education and training; - Quality in CVT; - Doctoral and post-doctoral programmes in support of research 		<ul style="list-style-type: none"> - Access to quality education and initial VET (including guidance and counselling in personal health and hygiene) - Human resources development in education and training
PA 2 Linking life long learning and labour market	<ul style="list-style-type: none"> - Transition from school to active life - Access and participation in CVT 	<ul style="list-style-type: none"> - Access and participation in CVT 	<ul style="list-style-type: none"> - Preventing and correcting early school leaving - Access and participation in CVT 		<ul style="list-style-type: none"> - Access and participation in CVT (including provision of information on preventive healthcare, and actions to have cleaner working and living conditions)
PA 3 Increasing adaptability of workers and enterprises		<ul style="list-style-type: none"> - Promoting the entrepreneurial culture - Training and support for enterprises and employees to promote adaptability - Developing partnerships and encouraging initiatives for social partners and civil society 		<ul style="list-style-type: none"> - Developing partnerships and encouraging initiatives for social partners and civil society 	<ul style="list-style-type: none"> - Training and support for enterprises and employees in order to promote adaptability (including actions supporting health and safety at work and to improve the health of the workforce)
PA 4 Modernisation of Public Employment Service	<ul style="list-style-type: none"> - Strengthening the capacity to provide employment services - Training for PES staff 		<ul style="list-style-type: none"> - Training for PES staff 	<ul style="list-style-type: none"> - Strengthening the capacity to provide employment services - Training for PES staff 	

CSG 2007-2013 Priority Axis (PA)	Attract and retain more people in employment and modernise social protection systems	Improve adaptability of workers and enterprises and the flexibility of the labour market	Increase investment in human capital through better education and skills	Administrative capacity	Help to maintain a healthy labour force
PA 5 Promoting Active Employment Measures	<ul style="list-style-type: none"> - Developing active employment measures - Promoting long term sustainability of rural areas in terms of human resources development and employment 		<ul style="list-style-type: none"> - Developing active employment measures 		<ul style="list-style-type: none"> - Promoting long term sustainability of rural areas in terms of HRD and employment (including specific health modules in all training programmes)
PA 6 Promoting Social Inclusion	<ul style="list-style-type: none"> - Developing social economy - Improving the access and participation for vulnerable groups on the labour market; - Promote equal opportunities and fight against women's social exclusion - Trans-national initiatives in the inclusive labour market 				<ul style="list-style-type: none"> - Developing social economy (actions to enhance a healthy life style) - Improving the access and participation for vulnerable groups on the labour market (specific health modules in all training programmes aids and assistance to people with health problems to return to the work place)
PA 7 Technical Assistance				<ul style="list-style-type: none"> - Support for SOP HRD implementation, overall management and evaluation; - Support for SOP HRD promotion and communication 	

The SOP HRD supports the **Lisbon Strategy** mainly in what concerns reaching the expected objective of full employment. The SOP HRD targets the inactive people in re-integrating them on the labour market (the long term unemployed), the non-registered unemployed, particularly in rural areas, as well as the vulnerable groups, among whom Roma population represents the major group envisaged to be attracted in the labour market. For all these groups as well as for the active population, continuous vocational training will be a must in reaching

a performing human capital in the next years. Promoting active employment measures (PA 5 “Promoting active employment measures”), developing continuous vocational training offer and increasing the access (PA 2 “Linking life long learning and labour market”), supporting the LLL and work based learning schemes (PA 2 “Linking life long learning and labour market”) will provide the necessary basis for enhancing employability and providing the needed skills for a competent participation on the labour market.

The knowledge-based economy will be tackled by promoting quality education and training at all levels (PA 1) and ensuring better access. Moreover, doctoral and post-doctoral programmes in research and networking enterprises, universities and research centres will be supported.

Romania will pursue the objective of making Europe more competitive by supporting actions aiming at promoting the spirit of entrepreneurship and making the public services more efficient. The enhancement of the entrepreneurial culture and spirit is a specific area of intervention under PA 3 “Increasing adaptability of the workers and enterprises” by which entrepreneurship can become a career option for everybody, as an important solution for counterbalancing the negative effects of the structural adjustment and industry restructuring processes, and by generating economic and social alternatives.

The SOP HRD will contribute to the development of human capital and increasing competitiveness by encouraging innovation and the growth of the knowledge economy including new information and communication technologies. Innovation will be a horizontal theme. All priority axes will be expected to take account of innovation issues (mainly Axis 1, Axis 2 and Axis 6) and a lot of projects may have specific innovation focus.

ESF interventions will support the modernisation of the Public Employment Service in what concerns the strengthening of its capacity to elaborate and implement strategies, develop new services and get closer to the needs of the unemployed, job-seekers and entrepreneurs.

Moreover, the SOP HRD shall address the technological challenge both as a specific action under the priority axis on increasing adaptability of the labour force and enterprises (PA 3), as well as a horizontal priority in relation with making information society accessible to all, regardless of social category. By ensuring this, SOP HRD aims at promoting an important factor in improving competitiveness and job creation and at strengthening the potential to improve quality of life.

As their numbers grow, the role of older people in society is becoming increasingly relevant to policy, as is the need for effective policies to promote opportunities for an ageing workforce.

Until recently, in Romania little priority has been accorded to the promotion of ‘active ageing’ and to increasing employment rates among older workers, especially women and those with low skills. Successful outcomes depend not only on commitment from top management but also on training for managers and supervisors, the involvement of workers’ representatives and company-wide age-awareness campaigns.

Apart from the benefits that employers find in promoting active ageing, such as involving mixed-age teams, which combine the skill advantages of different age groups, case studies indicate improved well-being, more positive work attitudes and increased employability of older workers. Moreover, there is a positive impact on all workers in terms of inter-generation relationships, and on knowledge and attitudes about older colleagues.

Under SOP HRD, active ageing shall be addressed in ESF interventions as a horizontal issue.

The **Integrated Guidelines for Growth and Jobs (2005-2008)** were also considered in the elaboration of the HRD strategy. The SOP HRD will support the investment in human capital and the increasing of access to employment by reducing unemployment and inactivity, particularly for groups of people with high potential of being integrated in education and the labour market. Thus, the OP will have a substantial contribution to attracting of and maintaining as many as possible persons within the active labour market (guidelines 17, 18, 19, 20) and will improve the workers and enterprises adaptability, especially in order to be able to respond to the continuous introduction of new technologies (guidelines 21, 22).

The relation between the SOP HRD and the Integrated Guidelines is presented below.

Priority Axis	PA 1	PA 2	PA 3	PA 4	PA 5	PA 6
Guidelines						
Guideline 17: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion		♦	♦		♦	♦
Guideline 18: Promote a lifecycle approach to work	♦	♦	♦		♦	♦
Guideline 19: Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive				♦	♦	♦
Guideline 20: Improve matching of labour market needs	♦	♦	♦	♦		
Guideline 21: Promote flexibility combined with employment security and reduce labour market segmentation having due regard to the role of the social partners		♦	♦			
Guideline 22: Ensure employment-friendly wage and other labour cost developments			♦			
Guideline 23: Expand and improve investment in human capital	♦	♦	♦	♦	♦	♦
Guideline 24: Adapt education and training systems in response to new competence requirements	♦		♦	♦		

The SOP HRD also supports the Human Resources Development Strategy promoted in the **National Strategic Reference Framework**, within the Thematic Priority **“Development and More Efficient Use of Romania’s Human Capital”**. Being focused on the life long learning principle, increased adaptability and entrepreneurship, the OP Priority Axes contribute to the reaching of the strategic objectives set in the NSRF, i.e. to provide better education, higher skills and improved management capacity and to ensure that education and training meet the needs of Romania’s modern and expanding economy.

As the NSRF states, Romania aims to become a high added value economy with high rewards for investors and workers. The core driver of this is increased productivity through investment in productive capital, equipment and technology and in human capital. To this ending, the SOP HRD contribution to the NSRF objective is represented by several Priority Axes where careful consideration is paid to improving quality and productivity at work and innovating and modernising the working process. In this respect, the SOP HRD Priority Axis 3 “Increasing adaptability of workers and enterprises” includes key areas of interventions related to promoting the entrepreneurial culture and supply of specific training in high technology sectors.

At the same time, the Key Area of Intervention 5 “Doctoral and post-doctoral programmes in support of research”, under Priority Axis 1 “Education and training in support for growth and development of knowledge based society”, aims at supporting an increased number of graduates to participate in doctoral programmes with an economic-oriented component.

Moreover, SOP HRD will support the development of human capital in initial and continuous education, attracting and maintaining a large number of people on the labour market, as well as the social inclusion of people belonging to vulnerable groups who can make a significant contribution to the social and economic development (Roma population, youths over 18 years old who leave the child state protection system, disabled people who can participate in the economic life of the community).

Training will be needed in many areas highlighted in NSRF. The complementarities with other specific Operational Programmes will be detailed further on, including as concerns training. From this point of view, the main Programmes with which SOP HRD has analysed complementarities were the SOP Competitiveness (i.e. the economic sectors with growth potential where training should be delivered primarily) and the Regional Operational Programme (i.e. based on the Regional Development Plans there should be an indication of the fast growing high added-value sectors where training should take place). Not least, complementarities were reviewed with the National Rural Development Programme as concerns addressing the needs of the population in the rural areas.

The relation between the SOP HRD priority axis and the strategic areas of interventions in the **NSRF** is shown in the table below:

SOPHRD Priority Axis	PA 1	PA 2	PA 3	PA 4	PA 5	PA 6
NSRF interventions						
Education and training	♦	♦	♦		♦	♦
Guidance and counselling	♦	♦			♦	♦
Employment and combating unemployment				♦	♦	♦
Adaptability and flexibility	♦	♦	♦		♦	
Social inclusion		♦				♦
Health and welfare	♦	♦	♦		♦	♦

In relation with the **Joint Assessment Paper on Employment Priorities**, the SOP HRD addresses the following priority areas:

- Strengthen the efforts to ensure that all children can access and complete compulsory education and broaden access to upper secondary education; intensify efforts to improve the provision of education for minority and vulnerable groups and implement the existing strategy; complete as quickly as possible the reform of vocational education and ensure that it improves the adaptability of the TVET system to long-term needs of the labour market; assess whether higher education provision is adapted to its needs in a medium-term perspective in terms of strategy, infrastructure, curricula and financing mechanisms and resources; ensure appropriate allocation of responsibilities and resources.
- Develop a strategy for continuous training in close co-operation with the social partners as well as an appropriate framework and incentives for the training of those employed;

develop capacity for the training of the unemployed, taking into account medium-term challenges linked to the restructuring.

- Promoting active programmes in order to increase the provision of training; monitor the implementation of the new framework for active policy, the targeting and impact of programmes so that active policy can effectively contribute to the transformation of the labour force requested by the future challenges. In relation with this, while pursuing the ongoing strategy to improve the PES quality and efficiency, the appropriate allocation of the staff at territorial level and the control of registration should be a matter of permanent concern of the PES management so that active support can be effectively targeted at the jobseekers who need it and PES resources efficiently used.
- Implement strategies to better ensure the integration of ethnic minority groups, in particular Roma, in education and labour market and monitor carefully its outcome.
- Continue the implementation of the legislation and measures to ensure equal access to the labour market for all persons irrespective of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

In the light of the analysis undertaken in **Joint Inclusion Memorandum**, the SOP HRD addresses the most immediate needs in relation to tackling poverty and social exclusion:

- Encourage participation in employment, with an accent on life-long learning and vocational educational training and on fighting forms of discrimination in all socio-economic sectors;
- Intensifying measures to eliminate non-attendance in compulsory education, reducing school dropout and increasing participation in secondary education, at least to European standards, improving the adaptability of vocational and technical education to the labour market demands and enhancing life-long learning;
- Improving the social assistance services;
- Improving the access to education and to the labour market for the vulnerable groups, particularly for Roma population.

The HRD strategy took also into account the national strategies and relevant policy papers in the field of education, employment and social inclusion.

The actions proposed in education are in line with the following documents:

- Strategy for Continuous Vocational Training on short and medium term 2005 – 2010;
- JAP and the Progress Reports;
- Strategy for Decentralisation of Education 2005;
- Strategic Guidelines for Education and Research 2006-2008;
- Strategy for Pre-university Education Development 2001-2010;
- Regional Actions Plans for TVET.

The line of action set in the Priority Axes and the Key Areas of Intervention supporting adaptability, employability and tackling long-term unemployment are based on the following strategic papers:

- National Strategy for Employment 2005-2010;
- Strategy for Continuous Vocational Training on short and medium term 2005–2010;
- JAP and the Progress Reports;
- NAPE 2002-2003 and 2004–2005.

The Strategy for Continuous Vocational Training on short and medium term 2005–2010 sets for 2010 a target of adults' participation in CVT of 7%, supported also by ESF intervention in Romania. However, a study on CVT is conducted by NIS. Subject to the results of this study, the target could be adjusted. The work done within the programming process of the SOP HRD revealed that the interventions in the field of CVT within SOP HRD will contribute to reaching a target of 8% for adults' participation in CVT rate, by 2015.

In order to improve the situation of vulnerable groups and for promoting the social inclusion the following strategies were considered:

- The Joint Inclusion Memorandum on Social Inclusion (JIM 2006);
- National Strategy for developing social services (GD no.1826/2005);
- National Strategy for developing the social assistance system for elderly persons 2005 – 2008 (GD no. 541/2005);
- National Strategy for protection, integration and social inclusion of disabled persons 2006–2013 (GD no.1175/2005);
- National Strategy concerning the prevention and fight against domestic violence phenomena (GD no.686/2005);
- National Strategy on social inclusion of young over 18 leaving the State Child Protection System 2006-2008;
- Government Strategy for improving the Roma situation (GD no. 430/2001);
- National Strategy for Equal Opportunities between Women and Men (GD no. 319/2006).

The four main **EQUAL principles** of partnership, innovation, mainstreaming and trans-national are integrated into the operations funded by ESF.

Partnership and innovation are encouraged under PA 3 “Increasing adaptability of the workers and enterprises”, under the key area of intervention “Developing partnerships and encouraging initiatives for social partners”. Mainstreaming will be tackled under PA 6 “Promoting social inclusion”, with activities dedicated to ensuring equal opportunities for all vulnerable groups, and thus making sure that certain categories of citizens are not left behind, and that the fruits of growth are distributed equally.

Trans-national cooperation is also ensured in all Priority Axes, but specifically in PA 6, under the key area of intervention on “Trans-national initiatives on the inclusive labour market”. By ensuring the transposition of EQUAL principles, the SOP HRD is aiming at encouraging the transfer of know-how and good practice acquired in successful ESF projects in other Member States.

The SOP HRD's strategy has been drawn and will operate within the EU's sustainable development strategy. The Programme's activities will follow the principle of sustainable development during the various stages of implementation in a way that respects the protection of environment, resources and biodiversity. In fact the Programme will be able to provide training in environmental management skills and environmental technologies. The general goal is to have people better prepared to face the present and the future challenges and to act responsibly for the next generations. To this end the initiatives to be taken must develop learning in all the fundamental areas, learning to know, learning to do, learning to be, learning to live together and learning to transform oneself and society.

3.1 Objectives

The ESF interventions in Romania in the field of Human Resources Development, as established in the National Strategic Reference Framework 2007-2013, will assure investment in human capital, modernisation of education and training systems, increasing the access to employment and strengthening the social inclusion for vulnerable groups.

The need to ensure educated and competitive human resources on the European labour market arises from the understanding that the competitive advantages that are determining Romania's current growth cannot ensure a long-term sustainable development given the growing pressures provoked by globalisation and the continuous introduction of new technologies. Only a flexible, high-qualified working force will be able to respond to the constant changes in the labour market.

From the socio-economic analysis the following phenomena can be highlighted:

- Persistent low levels of participation in education and training at all levels of the lifecycle, in particular in rural areas, determining an overall low level of qualifications of the Romanian workforce;
- Incapacity of the education and employment structures to quickly adapt to the changing needs of the labour market;
- A productive structure that has been suffering some changes in recent years with an increase of the services sector but that will not present a dramatic decrease of the primary sector to European levels;
- A decrease of active and employed population on the background of a slow but continuous ageing process and increasing trends of emigration;
- Increasing of the poverty, especially at risk groups (Roma people, one parent families with more than two children, young post institutionalised).

Given such context, **the general objective of SOPHRD** is *the development of human capital and increasing competitiveness, by linking education and lifelong learning with the labour market and ensuring increased opportunities for future participation on a modern, flexible and inclusive labour market for 1,650,000 people*. This target represents the equivalent of approximately 18% of the total employed population in 2006.

The National Strategic Reference Framework estimates that “there will be an increase in the number of employees by about 164,000 persons by 2013 compared to 2005”, the figure reflecting the net increase in the average number of employees on overall economy, as a result of the offset between new jobs created and staff reductions. With a view to achieving this national target, SOP HRD will make its own contribution as regards the increasing of competences on the labour market by providing quality education for pupils, students and human resources in education and in CVT for those existing on the labour market, ensuring active labour market measures for the unemployed and the inactive as well as by promoting social inclusion and integration on the labour market for people belonging to vulnerable groups, altogether 1,650,000 persons participating in projects financed under SOP HRD.

The SOP HRD proposes the programme indicator (1,650,000 persons) as well as a number of output and result indicators, with quantified targets for each PA. The progress in implementation shall be followed by other detailed monitoring indicators which will be broken down by gender, vulnerable and age groups, rural areas, particular studies etc.

The Analysis presented the main difficulties that Romania is confronted with, which together with the SWOT analysis highlighted the main areas where the ESF interventions should be focused during 2007-2013 programming period.

As shown, the educational and training systems requires further investment in quality education and the competences of staff in education. With a view to ensuring this qualitative process, together with the modernisation of the educational offer, ESF interventions shall support the updating of skills and competences of 75,000 teachers, trainers and other staff in education. At the same time, the Lisbon objective of promoting the knowledge based society shall be also supported by funding 15,000 people who will benefit from doctoral and post-doctoral programmes for research in economy and high technological sectors.

The design of new educational offers will include modern and accessible modules for the re-entry in education of people who dropped out school (25,000 people), will ensure better employability of graduates, as well as the improved relevance of initial and vocational education in relation with the labour market demands. In this respect, 25,000 students shall be supported in transition from school to the labour market.

Increasing competitiveness and employability of the labour force shall be also ensured by providing continuous vocational training to 538,000 people (260,000 in training and retraining courses and 278,000 in upgrade skills courses). Apart from this, approx. 30,000 people will benefit from training in advanced technological and engineering sectors, environment, ICT a/o. In addition, adaptability shall be supported by promoting training on managerial skills for 15,000 people, as well as entrepreneurship for 30,000 people who will benefit from training on how to set up a business, the business plan, the legislation applicable, marketing of products and services etc.

Increased support for employment and support to (re)entry on the labour market shall be provided to 215,000 people through active employment measures, these people representing job-seekers, particularly young long-term unemployed, people who exit NAE's records, other inactive and discouraged people, including contributing family workers in rural areas. The modernisation of the Public Employment Service shall support the supply of quality employment services to the unemployed, job-seekers and entrepreneurs. Reaching this objective shall be ensured through the training and upgrading of skills for 3,000 PES staff.

The social inclusion of people belonging to vulnerable groups shall be another area that will be addressed by the SOP HRD. Statistics show that approx. 10% of total population is in a state of poverty, half of that share being Roma population. ESF interventions under SOP HRD shall approach 150,000 vulnerable people, out of which 65,000 shall be Roma people. Specific attention shall be given to this group, given the fact that they are the most exposed to discrimination and face the highest risk of social marginalisation and exclusion. As stated in the JIM, other categories of people compose the group of vulnerable persons. With a view to address this issue, the remaining 85,000 vulnerable people shall consist of youths over 18 years old who leave the state child protection system, people with disabilities, families with more than two children, including mono-parental families, women, drug addicted persons, ex-offenders, homeless people, victims of domestic violence, HIV/AIDS infected people etc. The social services system shall be supported by the training of 10,000 professionals in the field (social workers, personal assistants, community nurses, family mediators, sanitary mediators, maternal assistants, care givers and related staff from residential institutions).

Based on the previous outlined approach and the SWOT analysis in the field of human resources, *the specific objectives* listed in the table below will further develop the general objective of the programme. The priority axes identified within the strategy will have a substantial contribution to reaching these specific objectives, in order to attract and maintain of as many as possible persons within the active labour market, including vulnerable groups, and to improve the labour force and enterprises adaptability, especially to be able to respond to continuous introduction of new technologies.

Specific objectives \ Priority Axis	PA 1	PA 2	PA 3	PA 4	PA 5	PA 6
Promoting quality initial and continuous education and training, including higher education and research	♦	♦	♦			
Promoting entrepreneurial culture and improving quality and productivity at work	♦		♦			
Facilitating the young people insertion in the labour market		♦			♦	
Developing a modern, flexible, inclusive labour market			♦	♦	♦	♦
Promoting (re)insertion in the labour market of inactive people, including in rural areas				♦	♦	♦
Improving public employment services				♦		
Facilitating access to education and to the labour market of the vulnerable groups		♦				♦

The specific problems identified in the rural areas are general issues that will be addressed under other SOP HRD Priority Axes than PA 5. Thus, modernisation of education and upgrading of skills of teachers shall cover also schools in rural areas (PA 1). Moreover, the connection of school with the labour market (PA 2) shall reach the general, technical and vocational schools in rural areas, too, as regards ensuring the transition from school to work and combating early school leaving and school drop-out. PA 2 shall also tackle the need to promote “second chance education” for people in rural areas. With the modernisation of the Public Employment Service (PA 4) the delivery of employment services shall be further extended, also by improving PES services as to address better the unregistered unemployment, including in rural areas.

As horizontal objectives, the SOP HRD takes into consideration: ITC and innovation, equal opportunities, sustainable development, trans-national and interregional approach, encouraging the projects whose implementation contributes to these issues.

3.2 List of Priority Axes

- Priority Axis 1* **Education and training in support for growth and development of knowledge based society**
- Priority Axis 2* **Linking life long learning and labour market**
- Priority Axis 3* **Increasing adaptability of workers and enterprises**
- Priority Axis 4* **Modernisation of Public Employment Service**
- Priority Axis 5* **Promoting active employment measures**
- Priority Axis 6* **Promoting social inclusion**
- Priority Axis 7* **Technical assistance**

The substance of the Priority Axes 1 to 6 addresses issues that reach the national and regional level, in what concerns systems and individuals.

The Priority Axis 1 “Education and training in support for growth and development of knowledge based society” will tackle the need for modernisation and better adjustment of education, initial VET and CVT to the needs of the labour market needs. Interventions under this PA will aim at increasing the coherence among education, initial VET and CVT, as well as increasing coherence between different learning environments. Under this PA the education, initial VET and CVT systems will be approached nationally and integrated: the systems' improvement and modernization will be supported by actions developed at system level, followed by support actions for education and VET providers to effectively transpose the outcomes of the measures developed at system level and complemented by the actions for staff training and development. The actions will target the system (standards, methodologies, tools and staff development), education and VET providers, educational and training offers, human resources delivering education and training (supply oriented support).

The education and training systems will be nationally approached in relation with quality assurance, curriculum development in support for competitiveness, relevance of the educational and training offers to the labour market needs. The core principle of these priorities is that LLL constitutes the general framework for the restructuring and developing of education and training systems and for increasing the coherence between formal, non-formal and informal learning environments, with the view of creating grounds for ensuring key skills throughout the whole lifecycle. The school has to become a centre of continuous learning resources, giving new learning possibilities to the younger generations but also widening the continuous learning possibilities for the adult population. High levels of quality have to be guaranteed by these learning centres by modular and flexible educational structures, articulated with a coherent qualifications framework and delivered by highly qualified personnel.

The Priority Axis 2 “Linking life long learning and labour market” will address, at national level, the issues of ensuring that all individuals have equal opportunities for learning and are well equipped with competences and skills for their sustainable integration on the labour market. Low educational attainment increases the risk of unemployment and long term unemployment or dropping out the labour market. Since Roma and rural population are the most affected categories of early school leaving, specific measures will target these groups. The diminishment of early school leaving and support for increasing the access and participation in CVT will fully contribute to creating a lifecycle approach in learning and work and to supporting employability and integration in the labour market. The CVT will also

address at the health of labour force. Special modules within the training courses will be supply to employees on the health maintaining, on preventing occupational diseases and work accidents. The development of partnerships and transition from school to active life will be supported and will facilitate the first insertion of graduates in the labour market. This Priority Axis targets the specific needs of individuals before leaving/graduating education, as well as after graduation as active persons, in national approach. This priority axis addresses nationally identified negative evolutions of early school leaving, high youth unemployment, low participation in CVT; the magnitude of these phenomena requires national actions and not regional interventions with limited effect and impact.

Equally, Priority Axis 4 “Modernisation of Public Employment Service”, will be addressed at national level, in the attempt to diversify the PES services, upgrade their quality, making them more visible and accessible and bringing them closer to the beneficiaries. With the operations on the training of PES staff, it will be enhanced nationally the capacity of this service to provide labour market analysis, interpretation of data by anticipating trends and new evolutions of labour force and companies dynamics.

Priority Axes 3, 5 and 6 address to individuals in what concerns raising their employability and adaptability, strengthening entrepreneurship and promoting social inclusion and equal opportunities. These priority axes will be addressed regionally also due to the existence of certain disparities among regions as regards employment rates, unemployment rates and certain particularities (long term and structural unemployment, including in rural areas), participation in CVT, different entrepreneurial culture, poverty rates, specific Roma issues, the position of women in the labour market etc. All these issues will be tackled at regional level, as the most appropriate level, where communities and other local actors can identify them and resolve them effectively.

PRIORITY AXES

1. Education and training in support for growth and development of knowledge based society	2. Linking life long learning and labour market	3. Increasing adaptability of workers and enterprises	4. Modernisation of Public Employment Service	5. Promoting active employment measures	6. Promoting social inclusion	7. Technical Assistance
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KEY AREAS OF INTERVENTION

<i>Access to quality education and initial VET</i>	<i>Transition from school to active life</i>	<i>Promoting entrepreneurial culture</i>	<i>Strengthening the PES capacity to provide employment services</i>	<i>Developing and implementing active employment measures</i>	<i>Developing social economy</i>	<i>Support for SOP HRD implementation, overall management and evaluation</i>
<i>Quality in higher education</i>	<i>Preventing and correcting early school leaving</i>	<i>Training and support for enterprises and employees in order to promote adaptability</i>	<i>Training of the PES staff</i>	<i>Promoting long term sustainability of rural areas in terms of HRD and employment</i>	<i>Improving the access and participation of vulnerable groups to the labour market</i>	<i>Support for SOP HRD promotion and communication</i>
<i>Human resources development in education and training</i>	<i>Access and participation in CVT</i>	<i>Development of partnerships and encouraging initiatives for social partners and civil society</i>			<i>Promoting equal opportunities on the labour market</i>	
<i>Quality in CVT</i>					<i>Trans-national initiatives on inclusive labour market</i>	
<i>Doctoral and post-doctoral programmes in support of research</i>						

3.2.1 *Priority Axis 1: Education and training in support for growth and development of knowledge based society*

Objectives

The overall objective of this PA is: development of flexible lifelong learning pathways and increasing the access to education and training by delivering modern quality initial and continuous education, including higher education and research.

The following *specific objectives* will contribute to the achievement of the overall objective:

- Improving the quality assurance system in pre-university education and initial VET systems by **supporting schools** in management and capacity to provide relevant qualifications for labour market;
- Improving the quality assurance system in higher education by **supporting universities** in management and capacity to provide relevant qualifications;
- Improving the teachers' and trainers' qualifications and of other categories of human resources in education and training by **supporting their initial and continuous training**;
- Increasing the quality assurance in CVT by **supporting CVT providers** for developing quality assurance and management system;
- Supporting better knowledge and competences of young researchers by **doctoral and post-doctoral programmes**.

Rationale

The contribution of education and training to economic growth and development has been intensively researched. Findings available indicate that education and training represents the main contributor to the economic development and progress. There are evidences showing that investments in education and training have very high return on investment rate and the rising of the educational attainment of the labour force accounts for increased economic growth rates. The achievement of the Lisbon targets emphasises the need for a highly skilled and adaptable workforce able to make effective use of the knowledge and new technologies produced. This can be achieved by increased participation in LLL, advanced educational attainment, enhanced capacity of education and training of delivering skills and competences required by the labour market etc. The educational and training systems need to be developed and modernised for a better adjustment to the changing needs and fast developments in the economy and society.

The main target groups for this PA are:

- management, advice and control personnel within MoERY system;
- school and university managers, inspectors, decision makers, other staff involved in education management;
- members of school and universities boards and commissions for quality assurance in schools, quality evaluators in education and VET, assessors;
- students, in particular from poor and rural communities, Roma and disabled;
- teachers, teaching staff in education;
- VET teachers and trainers;
- career counsellors;
- mentors, mediators, tutors, personnel in kindergartens;
- members of the NATB and Sectoral Committees;
- doctoral graduates and researchers.

The modernisation and restructuring of education and training are foreseen to be supported by ESF interventions. In this respect, the SOP HRD approaches the system and providers from the pre-university, the initial VET, the university education and CVT. The actions designed for the system consists in the development of methodologies, instruments, standards for the priorities identified: development of the qualification systems, quality assurance and management, improved education and training planning and management, effective decentralisation of pre-university education, validation and recognition of prior learning, development of inclusive education and training. For the providers, the ESF interventions will support the effective implementation of new instruments, standards and methodologies. At the system and the provider levels, the specific training delivered to the staff, decision makers and stakeholders involved in the design and effective implementation of the new instruments and reforms will be also supported.

The absence of the life cycle approach in education, training and employment limits LLL opportunities. Thus, a coherent and systemic approach of education and training is needed. Operational systems and mechanisms for validation of prior learning are a pre-requisite; further developments and coherence in this area is needed in both education and training. The introduction of LLL as the core principle of education and training systems should be supported by recognition in formal education of prior learning achievements obtained in non-formal and in formal learning contexts.

Competence based education and training is a crucial issue for introducing a life cycle approach in education, training and employment, quality assurance and increased relevance of education and training to the changing labour market needs. For addressing it, the SOP HRD will support the development and implementing of an overarching National Qualifications Framework.

In case of quality assurance and management in education and initial VET, the institutional framework, at system level, became operational recently in 2006. Thus, both in pre-university and university education, limited progress may be observed in terms of developing standards and methodologies for evaluation and accreditation of education providers. For faster progress in this area, at system level, the ESF support will target to: the development, update and improvements of the guidelines, methodologies, standards for quality assurance; specific support for the management of the quality assurance, evaluation and accreditation – specific training and retraining of the staff of Agencies for Quality Assurance in pre-university and in university education, quality evaluators, school inspectors, national relevant stakeholders participating to the quality assurance and management in education and initial VET. In this area, the ESF support for the education and initial VET providers will complement the system-based actions and will address the following activities: transposition of the standards, specific training and retraining of the staff (e.g. school and university managers, members of the quality assurance committees in schools and universities etc.).

For a sustainable integration in the labour market, the skills and knowledge provided by education and initial VET should be continuously developed and updated with the support of CVT. If both education and CVT fail to provide labour market relevant knowledge, skills and offers or fail to complement each other, the risk of long term unemployment increases. Thus, the quality assurance and CVT development become essential for human capital competitiveness and become part of the SOP HRD strategy.

The development of initial VET represents a key objective of the Romanian Strategy for Pre-university Education 2001-2010. Current positive achievements (e.g. vocational training

standards, curriculum relevance to local community etc.) will continue and enhancement of these positive developments will be aimed at through the SOP strategy. Still, the vocational pathways remain less attractive than academic ones. The interventions in this sector under the SOP strategy are in line with the European recommendations⁴² for giving priority to "the use of common instruments, references and principles to support the reform and development of VET systems and practices, for example regarding [...] quality assurance [...], including *the strengthening of mutual links between these instruments and raising stakeholders awareness* at national, regional and local levels in Member States" [...] and to "the increased relevance and quality of VET through the systematic involvement of all relevant partners in developments at national, regional and local level, particularly regarding quality assurance".

Efforts will target the increase of initial VET attractiveness, development of vocational standards, increased effectiveness of partnership in planning and delivering VET, enhanced capabilities of VET schools in delivering CVT and adult education, improvement in initial VET curriculum of specific competences provision for career guidance and entrepreneurship, validation of prior learning, development of flexible transfer and progression routes (especially progression into higher education), developing effective links with labour market and supporting stakeholders involvement etc. Investments are needed for increasing initial VET attractiveness for employers and learners and for making it an important tool for equipping young people with the key competences they will require throughout life and for improving the skills and qualifications of the low-skilled people and for reducing of early school leaving. Most of the efforts made so far for developing initial VET have focused on youth needs, but the envisaged actions for the enhancement of VET schools to deliver CVT offers for adult population will create premises for properly addressing the adults, older workers needs and for upgrading skills and competence development. Specific actions for developing quality attractive initial VET will be complemented by actions targeting the professional development of vocational teachers and trainers.

Universities are major players in delivering highly qualified graduates and in producing knowledge. Given that, universities are situated at the crossroads of research, education and innovation and, in many respects, hold the key to the knowledge economy and society⁴³. The development of university offers should be supported for developing their capability to train students with increasingly higher qualifications, and thus to contribute to strengthening the economic competitiveness. These actions will be complemented by support actions for increasing access of rural and Roma population to university education.

The findings available for Romania indicate a relatively insufficient correlation between the educational offers/qualifications provided by initial training and education, including university education, on the one hand, and requirements of the labour market, on the other hand. The high youth unemployment rate, unfortunately, supports this conclusion. Thus, investments in education should focus on ensuring key competences for all and adequate supply, in quantitative and structural terms, of qualifications according to the changing demands of the labour markets. The improved education and initial VET planning represent the first step in increasing its' relevance and responsiveness to the labour market needs. With ESF support, the previous experience in initial VET (e.g. REAP and LEAP) could be improved and extended to all education and initial VET providers, mostly through the specific

⁴² Council Conclusions on the Future priorities of enhanced European Cooperation in Vocational Education and Training (VET) and Maastricht Communication on the Future Priorities of Enhanced European Cooperation in Vocational Education and Training (VET);

⁴³ European Commission, Communication from the Commission, "The role of the universities in the Europe of knowledge", February 2003;

training for the school decision makers, regional and local stakeholders involved in the process. The development of the partnerships in education will provide grounds for increased relevance and responsiveness of initial education for labour market needs.

The increased relevance of education and training for the labour market needs will be addressed through the ESF support for the education, initial VET and CVT providers for improving and diversifying their offers/study programs and curricula. In this respect, the foreseen ESF support for providers will address mostly the issues of increased flexibility of delivery, development of competence based education, accommodating the education and training programs to the qualifications system/framework.

This PA will support also the development of educational and VET offers, including curriculum development (particularly the local component of the curriculum) as part of the modernisation of education and initial VET and increased responsiveness to labour market needs. The educational and training offers developed will address two needs identified in the “Analysis” chapter:

- better adapting educational and VET offers to the labour market and knowledge society needs, including the development of post high school education;
- providing key competences (as defined by EU documents) for all. In this respect special attention will be paid to Roma and rural population.

The job creation and employment objectives of this SOP will be addressed by support provided to education and initial training to enhance its capability to become a dynamic partner and to offer the knowledge, skills and qualifications relevant to the industry and community. The operations promoted to increase quality in higher education shall aim at providing better adjusted university programmes for students, so that they can integrate easily after graduation on the labour market. The university offer shall take more into account the developments in economy and shall ensure a proper connection between the university supply and the labour market demands.

The capacity of education to respond to the rapid changes in the labour market and quality assurance in education and in initial and continuous training are critically dependent on the continuing development of HR employed in education, initial VET and CVT. The training and retraining of teachers, trainers and other teaching staff in education and CVT, including training and retraining in partnership with companies, addresses the aim of delivering and support the improvement of qualification of human capital.

The objective of the Romanian educational policy of ensuring equal opportunities and access to quality education for all could be achieved if knowledge is delivered by well qualified teachers. ESF will support thus both the development/improvement of the initial teacher training offers (undergraduate university and master offers) and the improvement of the continuous teachers’ training. The efforts to be made for improving the initial teachers’ training will be complemented by the development of flexible continuous training offered. The content of the training supported refers to both pedagogical and subject related. As part of the actions for improving the education and training systems, as well as for ensuring equal access to education, the ESF support will particularly target the development of training and retraining for new professions in education and training, to the fields related to new occupations and to the programs developed in partnership with companies.

The existing disparities between rural and urban areas in terms of qualification of teaching staff in pre-university education threaten the aim of equal access to quality education and the

employability of human capital in rural areas. Significant efforts were made during the last years by the Romanian Government for reducing the qualification gap between rural and urban areas in education and initial VET. Under this SOP, in case of rural areas, the training and retraining of teachers will be complemented with support measures for mainstreaming the good practice of School Mentors and for their continuous training and development. In case of the Roma community, efforts for mainstreaming the practice of School Mediators and their development will be made. This will fully contribute to increased access and participation to education. The efforts made in supplying well qualified staff in education will contribute to ensuring equal access to quality education to all and will be complemented by actions undertaken for developing educational offers and for increasing community awareness and participation in education and initial VET planning, content development and management.

The guiding and counselling supports the development of flexible and labour market oriented learning routes/opportunities, higher progression rates, increased employability and the diminishment of the existing gap between the output of the education and labour market needs. Analyses and studies conducted at European level⁴⁴ highlight the contribution of the guiding and counselling to the achievement of three of the Lisbon targets/benchmarks in education and training: increased participation in upper secondary education (ISCED 3); increased participation in adult education and training; reduction of early school leaving. In Romania, the availability of the guiding and counselling services remains limited in the educational system, at all levels. Thus, efforts are needed for both developing instruments for guiding and counselling, training counsellors, provision of and access to guiding and counselling in schools.

In case of CVT, this priority axis is aiming to increase the public and private CVT system's capacity of providing quality services in order to support the raise of participation in training. It will mainly focus on system development (instruments, tools, methodologies, standards etc.), quality assurance and management. The priority axis targets the CVT system and the providers.

All the issues related to the education and training systems which are tackled under SOP HRD are in line with the EC framework for addressing systemic reforms to education and training systems in a lifelong learning perspective and other relevant EC, OECD and World Bank documents.

In order to increase the effectiveness of the programmed interventions, it will be possible to resort to the principle of complementarity between Structural Funds pursuant to Article 34 of Regulation (EC) 1083/2006, and finance actions falling within the scope of assistance of the ERDF, within the limits and conditions provided for, up to a maximum of 10% of Community funding of this priority axis, provided that these actions are necessary for the satisfactory implementation of the operation and are directly linked to it.

Key areas of intervention:

- Access to quality education and initial VET;
- Quality in higher education;
- Human resources development in education and training;
- Quality in CVT;
- Doctoral and post-doctoral programmes in support of research.

⁴⁴ European Commission, "Education and training 2010", working group "Lifelong Guidance", Progress Report, December 2004;

Indicators

Indicator	Unit	Baseline	Baseline Year	Target (2015)	Source
Output					
Number of school supported	No.	272 ^{a)}	2005/2006	6,500	Programme Monitoring System
Number of universities supported	No.	56 ^{b)}	2006	70	Programme Monitoring System
Number of staff in education and training trained/retrained	No.	37,300 ^{c)}	2006	75,000 ^{d)}	Programme Monitoring System
Number of doctoral candidates students supported	No.	2,900	2006	15,000	Programme Monitoring System
Number of CVT providers supported in introducing quality assurance standards	No.	0	2006	5,000	Programme Monitoring System
Number of qualifications developed in CVT	No.	758	1999-2006	700	Programme Monitoring System
Result					
Share of schools supported receiving accreditation in quality assurance ^{e)}	%	-	-	80	Programme Monitoring System
Share of universities supported receiving accreditation in quality assurance standards ^{f)}	%	-	-	90	Programme Monitoring System
Rate of certified doctoral candidates	%	- ^{g)}	-	90	Programme Monitoring System/ Survey
Rate of certified staff in education and training	%	95	2006	97	Programme Monitoring System
Rate of CVT providers authorised/certified according to quality assurance standards	%	0	2006	80	Programme Monitoring System

a) schools supported under Phare TVET 2003 and 2004;

b) universities supported for educational activities under the State Budget;

c) the baseline indicator refers to teachers trained and retrained in accredited programs carried out during 2003-2006 by National Centre for Pre-university Teachers' Training. It includes total the staff and teachers trained from State Budget, World Bank and Phare funded programs/projects and it covers only accredited programs with low number of professional credits associated. This figure excludes the compulsory retraining of teachers (every 5 years);

d) it includes teachers, trainers, school and university managers, quality evaluators, school counselors, members of quality assurance committees, as net effect of training. It does not includes the staff to which training related to the proper development/implementing of a specific instrument/methodology developed within the project. The baseline and target indicator are not comparable, since the training through ESF will differ substantially from the training programs developed prior to 2006;

e) according to the legislation and methodologies in force until 2004, all supported VET schools in quality assurance were accredited; accreditation methodology has been revised in 2005;

f) according to the legislation and methodologies in force until 2004, all supported universities in quality assurance were accredited; accreditation methodology has been revised in 2005;

g) not available data, to be determined.

3.2.1.1 Access to quality education and initial VET

Actions to be supported under this area of intervention will target the modernisation and restructuring of education and initial VET in an integrated approach:

- actions for the system;
- support for providers;
- staff development;
- development and provision of education and initial VET offers/programs;
- integrated support services for education and initial VET, such as guiding and counselling;
- innovative actions in view of supporting access to quality education and initial VET.

Under this key area of intervention, the ESF will support the development and implementation of tools, standards and methodologies needed for improving the pre-university education. Target areas envisaged cover, in particular: education planning and management (including decentralization); recognition and validation of prior learning, certification, quality assurance; monitoring of enrolment, school attendance and completion. Further reforms for improving the pre-university education and initial training will be eligible for ESF support. The ESF actions at system level will address mostly the development, the design of new instruments, standards, methodologies, etc. and will be complemented by the actions needed for ensuring the effective and coherent implementing at provider level (e.g. transposition of standards and internal procedures, support for complying with new quality assurance criteria). These actions will be complemented by support for the development of staff involved in these activities and processes. The main target groups under these operations are: the school managers, inspectors, decision makers and policy makers, relevant stakeholders, except for local and central public administration which will be subject to OP ACD interventions. Support for studies, surveys, policy analysis, developing and implementing future reforms/restructuring in education and initial VET will be eligible under this area of intervention. In order to increase effectiveness, the support will target both the system and the providers.

During the first half of the programming period, the ESF support for improving the pre-university education and initial VET will focus on the effective decentralisation, quality assurance and equal access to education. For quality assurance, ESF support will target in particular: the development of quality assurance and evaluation methodologies for the National Agency for Quality Assurance in Pre-University Education, training of quality evaluators and assessors, support for education and initial VET providers for implementing the new tools and for complying with new standards, training of the staff in the target groups mentioned above.

The actions targeting the development of guiding and counselling (with a view to increasing educational achievements, attainment and a healthy work force) will consist of: development of specific tools, support for the provision of in-school guiding and counselling and increased access to guiding and counselling. Under these operations, particular attention will be given to the provision of guiding and counselling in rural areas, Roma and other disadvantaged communities and groups, where measures for increasing access to such services will be supported for both pupils and their families. The operations may consist of several integrated actions (tools, staff development and provision).

The quality assurance mechanisms provide the grounds for the educational system to deliver the knowledge, skills and competences to support the competitiveness. To this aim, the

improvement of educational offer shall be ensured also through ESF support for the development of education and initial VET relevant for the labour market and individual learning needs. A particular attention will be given to the development of the local component of the curriculum and will be complemented by ESF funding for specific actions consisting of: introducing new teaching techniques based on individual needs of the pupils, promoting innovation in learning and teaching etc. Activities like curriculum development and modernisation, individual centred learning, flexible provision of education, early identification of the education and training needs in support for adjusting educational offer to the labour market demand are eligible under SOP. The actions envisaged will address not only curriculum development, but also the provision and diversification of the delivery of education and VET; thus, the support will target, in particular, the capacity of schools to provide adult education, increased use of ICT in education and initial VET, increased flexibility in the provision of education to disadvantaged communities and groups, provision of competences of skills needed for new occupations.

Under this key area of intervention, the aim of increasing access to education for all (in particular early childhood development, education for Roma, children from rural areas and children with disabilities etc.) will be supported by: the development of specific tools at system and provider level (such as monitoring of enrolment and participation in pre-school and school, training of school managers for developing inclusive schools/education); increased flexibility in the provision of education and VET; increased flexibility of provision and access to career guiding and counselling; services for itinerant teachers, education of parents, support services for children with disabilities, increased flexibility of provision of education, awareness campaigns; financial support/incentives for disadvantaged groups to participate in education. The ESF interventions will also target the extending and mainstreaming of the positive outcomes in ensuring access to quality education obtained so far under various pilot projects developed by MoERY, such as: support for School Mentors' services in rural areas and extension of these services in poor urban communities; support for School Mediators' services in disadvantaged communities.

In order to ensure education and training contribution to the economic development, special attention will be given to the access to VET and correlation of VET with the labour market transformation. Middle management skills associated with the occupational skills will be addressed through different education and training programmes. The tertiary non university education (post high school) will represent a priority for provision in forms that ensure the access, including and open distance learning.

Specific programs of promoting basic hygiene (e.g. education delivered in schools, awareness campaigns in schools and target communities, extracurricular activities etc.) will be shaped for Roma and rural population, the most affected by poverty, poor health state and poor living conditions. Such programs will trigger the improvement of the health of the future labour force.

The development of entrepreneurship and of active citizenship can also contribute to raising the employment rate and to improving governance. The earlier these attitudes are developed and become part of the individual development process the bigger the impact is. In initial stages of promoting the entrepreneurial culture in initial education, students in schools shall benefit from practical courses, providing them the basic tools for taking up entrepreneurial activities when entering the labour market. Under this key area of intervention there will be supported projects financing development of entrepreneurial skills and active citizenship, in particular through extracurricular activities.

Indicative operations

- Developing and implementing tools and mechanisms to improve the pre-university education, including innovative and trans-national actions, support for providers and staff development;
- Developing and implementing quality assurance system in pre-university education, including staff development and innovative actions;
- Supporting the development of guidance and counselling in order to increase educational performances and progression rate;
- Supporting the development and diversification of education and initial VET supply;
- Support for innovation and for developing tools and mechanisms to improve access to education and initial VET for all;
- Support for development of education for entrepreneurship and active citizenship.

3.2.1.2 Quality in higher education

Actions to be supported under this area of intervention will target the modernisation and restructuring of university education in an integrated approach:

- actions for the system;
- support for providers;
- staff development;
- development and provision of university offers;
- innovative actions to support the improvement and development of university education.

The actions developed at the system and provider levels consist in the support for the development and implementing of instruments, standard and methodologies, in particular for development of qualifications, quality assurance, university education planning and management, validation of prior learning and certification. Actions to be undertaken under this key area of intervention will target the provision of quality higher education through effective quality assurance and management, effective university education and research management and governance, exchange of good practices etc. The decision makers and other staff involved in policy making are to be trained, as part of actions for improving the higher education.

The priority in terms of restructuring and improvement of the university education, consists on the set up and development of the national qualifications system in higher education (National Qualifications Framework in higher education and quality assurance) and involves both actions at system level and provider level (e.g. implementing the quality assurance standards, adapting the study programs to the qualifications defined in higher education).

The development of the National Qualification Framework for Higher Education represents another important aspect this area will deal with. The National Qualifications Framework in Higher Education represents the central instrument that will allow the development, within a national coherent qualification framework. It will facilitate further education and training, in support of lifelong learning, through increased transparency of qualification description. The support for the National Qualifications Framework in Higher Education development involves actions for updating the methodology and designing IT management solutions for it, instruments for defining qualifications as well as procedures for their validation, capacity building improvement etc. Under this key area of intervention, ESF will support only actions related to qualifications in higher education (vocational qualifications being excluded). The ESF support for staff development will address the university decision makers and managers, decision and policy makers (staff of the Agency for Quality Assurance in University

Education, National Authority for Qualifications in Higher Education and Partnerships with social and economic environment etc.), quality evaluators, other relevant stakeholders.

As concerns the development of competence based university education, the activities envisaged are: development of surveys, support studies in order to increase the relevance of university education for labour market, designing and developing bachelor and master programs according to the qualifications defined in the National Qualifications Framework in Higher Education and in the system of qualifications in higher education. The interaction of higher education with business community and research, mostly through networking, will be used as a tool for increasing the responsiveness of university education to the changes produced in the society, for boosting competitiveness and innovation and for promoting entrepreneurial education, skills and culture. For addressing the specific requirements of a knowledge based society, emphasis will be placed on actions aiming at developing graduate offers (in support of new knowledge and for raising qualifications of the human capital) and on actions ensuring the grounds for competitive human capital in education and training (e.g. pedagogical masters).

In order to increase the educational attainment and the qualification level of the human capital in Romania, within this key area of intervention consideration will be given to creating possibilities for widening access and participation, including the non-traditional learners, such as those from low socio-economic background. In order to widen access to university education for rural, Roma and other vulnerable groups, actions will be designed and supported under SOP HRD.

Indicative operations

- Developing and implementing tools and mechanisms to improve the university education system, including support for developing the qualifications system in higher education and innovative actions and support for providers;
- Developing and implementing quality assurance system in universities, including staff development;
- Increasing the access to university education;
- Developing the competence based university education (bachelor and master programmes);
- Supporting networking of universities, research institutes and enterprises for developing university education, entrepreneurship, continuous training of researchers, incentive and career development in research.

3.2.1.3 Human resources development in education and training

The high level qualification of teachers, teaching staff and trainers is a tool for quality assurance in education, initial VET and CVT. Investments in the development of the HR in education are needed for supporting the capacity of the Romanian education and initial training system to better respond to the rapid changes produced in the society and labour market.

For sustainable results, ESF support will address both the modernisation of teachers' initial training and the continuous training and will aimed to improve the systems for recruiting and maintaining of quality university graduates in teaching career. The development and modernisation of initial teachers training will consist of support provided for developing bachelor and master degrees for teachers, including curricular development for such programs and increasing the access to pedagogical masters for teachers, for design of a new and flexible career model, etc. These actions will be complemented by improvement of the access to

continuous training of teachers and trainers. A particular attention will be given to the training programs supporting the development of new professions in education (e.g. learning developer, educational assistant for SEN children). The development of offers and provision of specific training for school mediators and mentors will be also supported to the aim of increasing access to quality education and initial VET for all.

ESF funding under this area of intervention will target: teachers in pre-school, primary, secondary, post-secondary and higher education, teachers' trainers, instructors in initial VET, trainers in CVT, tutors and school mentors, school mediators, school counsellors and other staff participating in delivering training and flexible education.

For all the types of training delivered under this key area of intervention, formal certification and delivery of credits will be envisaged. Modes of delivery will include conferences, seminars and modular courses, on the job training, training in partnership with companies, outreach training. The use of ICT in teaching is rather low in Romania as compared to other EU states. To address this weakness, all training programmes for teachers and trainers co-financed under this SOP will include a compulsory ICT module aiming at developing their digital competences and ability to use ICT in their current teaching activities in support for developing information society in Romania. These approaches of the SOP HRD will provide grounds for complementing actions undertaken under Priority Axis 3, "ICT for private and public sectors" of the SOP Economic Competitiveness.

In order to overcome the negative demographic trends, programs for teacher's reconversion towards guiding and counselling, extracurricular activities will be considered. Eligible actions will consist of specific retraining and coaching. For addressing the deficits identified in the "Analysis" section, the training of teachers and trainers will be encouraged in the areas highly demanded on the labour market and related to new occupations. For widening access to basic education and skills, under SOP HRD there will be supported geographical and occupational mobility programs for teachers with a specific focus on teachers working in rural and Roma communities. Also, financial incentives such as reconversion and career development fees, transport, documentation fees etc. will be envisaged for teachers in rural areas and for teachers in initial VET who have to teach new qualifications.

With a view to ensuring adequate supply of qualifications in line with the labour market needs schools shall enlarge their range of stakeholders and increase dialogue with relevant partners at local level. In doing that they shall adapt their educational offer by issuing brochures with the occupational profiles, figures of pupils in education and in specific specialities, the motivation for taking up a job etc. Thus, schools may function as live bodies, sensitive to the changes that are taking place in society, and always subordinated to the larger social needs. To this ending, the whole activity of the teaching staff should be targeted towards preparing pupils in order to integrate as quickly and as efficient as possible into an ongoing changing society.

The teaching career is not the most attractive choice for university graduates. The chronic under financing of education (below 4% of the GDP in average during 1990-2005) produced effects on the level of salaries paid to teachers and staff employed in education and training. Also, the relative rigidity of the teaching career patterns led to the low attractiveness of this career with the effect of a very limited recruitment base and of an ageing trend of the HR in education. The ESF support for enlarging career development patterns in education and for the provision of incentives for recent graduates starting their career in education is needed in order to better address the ageing trend of teaching personnel, quality assurance, and to compensate existing deficits etc.

Indicative operations

- Initial and continuous training of teachers and other human resources in education and initial VET, including training in partnership with companies;
- Training and retraining of teachers' trainers and trainers in CVT;
- Support for integrated programs for teachers' mobility and reconversion towards non teaching activities;
- Support for career start and development in education.

3.2.1.4 Quality in CVT

This key area of intervention is aiming to increase the public and private CVT system's capacity of providing quality services in order to support the raise of participation in training. It will mainly focus on system development (instruments, tools, methodologies, standards etc.), and quality assurance. The ESF support targets the CVT system and the providers within the scope of: quality assurance, structuring of NQF, development of transferable credits. The actions undertaken will target both the system and the provider level.

At *system level*, there are two major priorities for the near future:

- development and implementation of NQF;
- development and implementation of quality assurance systems.

Actions for developing and implementing an overarching NQF, except for qualification system in higher education (part of the actions under key area of intervention "Quality in higher education") and for initial VET (part of the actions under key area of intervention "Access to quality and initial VET") are parts of this process. The actions aiming at developing the NQF address mainly CVT qualifications consisting of: the development of qualifications and competences at national, sectors and branches level and mechanisms for assessment of competences and qualifications etc. For an effective development and implementation of NQF, ESF interventions will support Sectoral Committees, including through training of its members, in order to ensure their main role related to validation of VET qualifications.

Quality assurance is almost lacking in case of CVT. Nevertheless, the existing systems for quality assurance are challenged by emerging development and emphasis placed at EU level on validation of learning achievements obtained in non formal and informal learning context/validation of prior learning. The existing tools, methodologies and mechanisms for quality assurances, the authorisation process of CVT providers need to be improved, with a particular focus on addressing the challenges of informal and non-formal learning. Also, insufficiency in quantitative and qualitative terms, of the existing quality evaluators and accreditation agents of the National Adult Training Board adversely affects the aim of providing of quality CVT. In this area, the ESF co-funded actions will consist of: developing, improving and implementing specific tools and instruments for quality assurance; improving the existing methodology for authorisation of CVT providers; training and retraining of quality evaluators. The ESF supported actions for the quality assurance and management will be in line with the European Framework for quality assurance. For CVT providers ESF funding will support the authorisation and transposition of the quality assurance standards.

In relation with the development of a lifecycle approach in education and training, increased flexibility of CVT provision and with quality assurance, at system level, the development of transferable credits and validation of prior learning are actions eligible for ESF support.

It is also important to understand the demand for training and to promote a learning culture.

There is a lack of good quantitative and qualitative information regarding skills trends, the demand for training, the needs of specific population segments and impact analyses on participation of specific population segments. All of these are necessary in order to develop appropriate training opportunities which could equip people not only with the competences needed on the labour market but also with other necessary skills in order to fulfil personal development or develop active citizenship. The measures aim to meet a need of developing studies, analyses and researches, identified at all the levels (national, regional, local and company).

Indicative operations

- Development and implementation of NQF, including support for Sectoral Committees;
- Implementing of quality assurance and management systems in CVT at system and provider level according to the European framework for quality assurance;
- Capacity building development of institutions involved in validation of prior learning ;
- Drawing-up studies and analyses in order to provide good quality information and data for supporting CVT and exchange of good practices;
- Networking and partnership for promoting learning conducive work environments and “learning regions”.

3.2.1.5 Doctoral and post-doctoral programmes in support of research

Research, Development and Innovation is one of the core pillar of the Lisbon strategy, fully contributing to the development of the European competitive knowledge based society. The production of knowledge, as output of the research activities, is critically dependent on the competitiveness of the human capital employed in this sector. In Romania, the number of employees in R&D decreased significantly since 1996, as shown in the analysis. This evolution is unfavourable affecting the potential for creating knowledge of the Romanian R&D sector. The situation is even more critical if it is taken into consideration the ageing trend of HR employed in this sectors, especially in universities and research institutes. The main causes reside also in low wages and low attractiveness of the career in research, especially for young university graduates. Romania is experiencing the same weakness as Europe in terms of the valorisation of the results of the research.

The high demands of a knowledge based economy require that together with researchers a high number of doctoral graduates exists in Romania. The researching carried out by talented people who otherwise would not have the means to attend such programmes shall be beneficial to addressing the high demands of a society based on competitiveness and scientific creativity.

High levels of higher education qualifications are widely acknowledged to be associated with increased levels of productivity, output growth and standards of living. Almost all Member States face the challenges of mobilising more resources and using them effectively in meeting the strategic goals of society with maximum efficiency.

Publicly subsidised higher education is heavily reliant on tax revenues at a time when there are growing pressures to contain public spending. Other priorities such as increasing spending on pensions, medical care, or combating social exclusion, also impose pressure on the public education budget. In addition, within education budgets (including non-significant private investments), the higher education sector follows in investments the primary and secondary education, early childhood education and care, and continuous education.

The European Commission underlines that across Europe, in the context of public budget constraints, greater emphasis is being placed on improving the economic dimension of education and training, but the social dimension of learning is often ignored with a high cost e.g. in terms of crime, health and other social expenditures⁴⁵.

Currently, the EU spends only 1.2% of GDP on higher education institutions (including both public and private funding, for all activities performed, including education, research and other) compared to 2.6% in the US. The Commission has proposed that the EU should aim, within a decade, to devote at least 2% of GDP to the higher education sector for all its activities (including both public and private funding)⁴⁶.

By investing in public higher educational services, Romanian Government can contribute to productivity and encourage job-creating investment. In 2006, 0.98% of Romanian GDP was allocated for higher education, out of which 0.16% were spent for doctoral studies. For 2007 it is envisaged that 1.2% of GDP will be spent for higher education. So far, post-doctoral programmes did not receive public funds.

The promotion of post-graduate education shall provide openness towards new areas of research shall attract more people in new directions of scientific investigation, shall stimulate critical and independent thinking. With this, professionalism shall be promoted, as well as civic responsibility, in the spirit of the European values and of understanding that culture is a key factor for growth.

The areas where doctoral programmes shall be encouraged are those provided by the National Strategy on Research, Development and Innovation 2007-2013, which sets out the action framework for RDI during 2007-2013. The ESF funded operations shall follow the 9 priority areas identified in the Strategy, that have the highest potential in achieving economic and social progress: ICT; energy; environment; health; agriculture, food safety and security; biotechnology; innovative materials, processes and products; space and security; humanities, social and economic research.

At the same time, in relation with the national IMPACT Programme, the operations under this Key Area of Intervention shall support the research perspectives for economic and technological development and innovation. The activities for the development of specialised expertise shall be correlated so as to bring them in line with the productive sector.

The integration of research outcomes into teaching activities, especially in case of university education, fully contributes to the development of knowledge based society. Innovation shall generate and shall favour the integration of results from research activities in the economic and social field.

Doctoral programs are part of the university education, according to the Bologna cycles. The doctoral programs are delivering PhD graduates who are one of the most important HR in research sector, since doctoral graduates are equipped with the knowledge and competences for research activities, and at a very limited extent for teaching. Thus, doctoral programs prepare their students to become researchers and should be encouraged to do so. The high costs of such programs and the limited state funding/support for doctoral candidates, master

⁴⁵ "Efficiency and equity in European education and training systems" (Communication from the Commission to the Council and to the European Parliament) adopted on 8 September 2006

⁴⁶ Communication from the Commission "Delivering on the modernization agenda for universities: education, research and innovation", COM (2006)208, 10 May 2006

graduates seem to prefer to insert in the labour market rather than continuing their education to third cycle of university education (doctoral programmes). Support for doctoral candidates and for post-doctoral programmes complies with the strategic objectives of National RDI Plan. The positive outcomes of Romanian universities in offering and developing joint degrees and doctoral studies could be mainstreamed and extended with ESF support. All the above are representing opportunities for increasing participation in doctoral programmes and improving post-doctoral research positions.

In order to create a more attractive research environment in Romania, the National Research, Development and Innovation Strategy 2007-2013 was adopted. The document took into consideration the vision of the Romanian society concerning the role of science, technology and innovation for the development of the knowledge-based society in Romania, targeting the economic and social progress. By launching the Strategy, Romania demonstrates its decision to build up a knowledge-based society, opened to international values and competition. The international cooperation and partnership in advanced research, in terms of general scientific and technological interest, will be fostered. This will lead to the increase of the Romanian RDI system competitiveness.

By the National Research, Development and Innovation Strategy 2007-2013, Romania intends to reach the European average for the basic indicators describing the structure and performance of the system. Thus, it will be created the base for dealing with niche areas, where Romania has the critical mass and the needed leadership. Meanwhile, the Strategy will support the social and economic development of Romania, having the opportunity to create a knowledge-based economy, competitive at the global level.

Among actions aimed at creating a more attractive research environment in Romania, a strategic and comprehensive approach on Human Resources policies will be adopted by public authorities and research organisations (Universities, Research Centres, etc.). This also implies the adoption and implementation of key EU legislative and policy acts, such as the Recommendation of the European Commission on the European Charter for Researchers and the Code of Conduct for their recruitment" (COM (2005) 575 of 11/03.2005) and the transposition of the directive on Council Directive 2005/71/EC of 12 October 2005 on a specific procedure for admitting third-country nationals for the purposes of scientific Research (OJ L 289 of 3.11.2005). Romania will also pay the necessary attention to the *acquis* in the field of education and research.

The proposed indicative operations shall aim at supporting candidates to graduate doctoral and post-doctoral programmes and at improving the research aspects of the Modernisation Agenda for Universities, in order to further develop pools of highly specialised researchers in the RDI sector in a interdisciplinary approach. The operations that will be developed under this key area of intervention shall support participation through learning mobility to doctoral and post-doctoral programmes, also through programmes developed in co-operation with other European universities. In order to develop doctoral and post-doctoral schools, as self established administrative structures, there will be encouraged joint degrees for the 3rd Bologna cycle, continuous training for university teachers (who perform both academic and research activities) and researchers (from universities and research centres/institutes). Through the SOP will be supported the doctoral and post-doctoral programmes aiming to improve both, the transfer of knowledge between universities, research centres/institutes and enterprises, and the networking between actors involved in the RDI sector and the market economy.

Empirical evidences indicate low valorisation of research outputs into economic activities at the level of enterprises through spin offs and spin outs. On one hand there is a low level of involvement of researchers in valorisation the results of their activity in order to be transferred at the level of enterprises, and on the other hand, a low interest of enterprises in using the research results. These weaknesses will be addressed by developing managerial skills modules as part of doctoral and post-doctoral programmes supported in order to increase the ability of researchers to deal with enterprises needs for innovation (to increase the efficiency and competitiveness of enterprises on the economic market).

In this context, doctoral and post-doctoral programmes contribute to the achievement of the Lisbon goals.

Indicative operations

- Strengthening the national doctoral and post-doctoral system, including support for networking universities, research centres and enterprises;
- Supporting doctoral and post-doctoral programmes by innovating the contents, including the development of researchers managerial skills to promote the valorisation of research outputs in economic activities;
- Support for doctoral candidates and senior researchers to participate to doctoral programmes and post-doctoral research positions, including trans-national co-operation and learning mobility.

3.2.2 Priority Axis 2: Linking life long learning and labour market

Objectives

The overall objective of this PA is: facilitating access to education and increasing employability and educational attainment of human resources in a life cycle approach in the context of knowledge based society.

The following *specific objectives* will contribute to the achievement of the overall objective:

- A better transition from school to active life;
- Improved participation in second chance education and preventing early school leaving in particular for vulnerable groups;
- Increasing the readiness of enterprises to support the enhancement of employees qualification level;
- Increasing the qualification level of employees.

Rationale

According to the EU policy and strategies, life long learning is essential for personal, civic and social purposes as well as for employment-related purposes. It takes place in a variety of environments in and outside the formal education and training systems. The promotion of lifelong learning (based on a life cycle approach in learning) opens up access to knowledge and takes account of all types of learning - formal and informal - and all levels, from nursery school to higher education and adult education.

The life cycle acquisition of knowledge and competences provides grounds for individual, professional achievement and development, increased lifelong employability and adaptability.

The need for transforming formal education and training systems in order to break down barriers between different forms of learning and broaden access and participation to learning are priorities for national policy. For employment related purposes, the modernisation of the education and training systems should target more flexible provision, increased relevance of the knowledge and competences delivered for the labour market needs and broaden access to all forms of learning for individuals in life cycle approach.

This Priority Axis is focused on life long learning for employment/labour market related issues and individuals, in terms of broadening and diversifying forms of learning, increased participation in learning/continuous professional training, provision of skills and competences facilitating the fast adapting to the job requirements for recent graduates etc.

Romania faces severe youth unemployment (youth unemployment rate is about 3.5 times higher than the unemployment rate). The provision of relevant qualifications and offer for the labour market needs provided by education and initial VET will contribute to the diminishment of youth unemployment. Transition from school to active life should be developed as a complement to the actions developed under PA1.

Another severe phenomenon which Romania is facing is the high rate of early school leaving. As mentioned in the analysis section of the SOP, the most affected by early school leaving are Roma, poor and rural population and the ESF actions in this area of intervention will address especially the particular needs of those target groups. The employability of the early school leavers is very low since they do not have the basic competences and knowledge needed which affects their further integration on the labour market. Therefore, the prevention and reduction of this phenomenon will create premises for reducing unemployment and for developing qualifications, skills and competitiveness of human capital in Romania. The magnitude of this phenomenon requires a national based approach for properly addressing it. The SOP HRD approach to early school leaving is based on both *preventive* and *remedial* actions, developed in an *integrated approach* (e.g. provision of guiding and counselling, remedial education, second chance programs, awareness raising campaigns, individual financial support). Early interventions shall support increased access to education and provision of quality guiding and counselling, for potential early school leavers and their families.

Findings of various studies and survey highlight the importance of pre-school education for preventing early school leaving. Therefore, actions financed under this Priority Axis will aim at developing and increasing participation in pre-school education, in particular for the groups the most affected by early school leaving.

According to a survey organised in 1999 by the National Institute of Statistics, only 11% of companies have implemented training programmes for the employees and only 5.4% of companies have developed a HRD strategy. Almost two thirds of companies have preferred to recruit new staff as opposed to allocating financial resources for training. Large companies especially develop an active CVT policy; SMEs are less in favour of HRD policy either because they are not yet aware of the importance of CVT or because they do not have the possibility to invest in human resources development.

Access to CVT is unequal. Employers prefer to train higher skilled or younger workers than low skilled or older, full time employees than part time or temporary workers. Minorities, people with special needs and people living in small communities or rural areas, unemployed people have also less access to training. It's important to ensure develop appropriate training

content, methodologies and delivery modes and to connect up training system through career guidance services in order to meet the needs of different kinds of participants in CVT.

The access to CVT in rural areas is very limited. The availability of offers is also very limited, as well. For addressing this weakness, under this Priority Axis, a particular attention will be given to the rural areas, by increasing flexibility of CVT provision (e.g. mobile training units) and by the financial support provided to participants in CVT. The main areas, in which the CVT programmes shall be developed, including in rural areas, are: services, construction, transport infrastructure, energy, ICT and research.

The main target groups that this PA is focused on are:

- students, graduates, apprentices
- personnel from the internship units assigned to be instructors/tutors/apprentice masters;
- pupils from rural areas, poor communities, Roma and with low school performances;
- early school leavers and their families;
- employees, especially low qualified or unqualified.

In order to increase the effectiveness of the programmed interventions, it will be possible to resort to the principle of complementarity between Structural Funds pursuant to Article 34 of Regulation (EC) 1083/2006, and finance actions falling within the scope of assistance of the ERDF, within the limits and conditions provided for, up to a maximum of 10% of Community funding of this priority axis (15% when Article 3(7) of Regulation 1081/2006 applies), provided that these actions are necessary for the satisfactory implementation of the operation and are directly linked to it.

Key areas of intervention

- Transition from school to active life;
- Preventing and correcting early school leaving;
- Access and participation in CVT.

Indicators

Indicator	Unit	Baseline	Baseline Year	Target (2015)	Source
Output					
Number of students assisted in transition from school to active life	No.	0	-	150,000	Programme Monitoring System
Number of career counselling beneficiaries	No.	86,161 ^{a)}	2005	400,000	Programme Monitoring System
No. of second chance education participants out of which <ul style="list-style-type: none"> • Women 	No.	5,747 ^{b)}	2006/2007	35,000 ^{c)} 12,000	Programme Monitoring System
Number of participants in CVT (qualification and re-qualification), out of which <ul style="list-style-type: none"> • Women 	No.	187,000	2004	360,000 • 160,000	Programme Monitoring System

Result					
Rate of students assisted in transition from school to active life getting a job or following up further active courses	%	0	-	65	Programme Monitoring System / surveys
Rate of students graduating second chance education	%	- ^{d)}	-	75	Programme Monitoring System
Rate of enterprises providing CVT to their personnel	%	11	1999	20	Programme Monitoring System
Rate of certified participants in CVT	%	85	2004	90	Programme Monitoring System / CVT surveys

a) financed under NAE programmes;

b) students/pupils assisted in second chance education (primary and secondary education) in 2006/2007;

c) the target refers to students assisted, but the individuals may be supported for several years in second chance education;

d) no available data, to be determined.

3.2.2.1. Transition from school to active life

Actions targeting the transition from school to active life will facilitate the insertion of graduates on the labour market. The education and training provided in initial VET, upper secondary schools and universities will be accompanied by in-company training, apprenticeships, outreach programmes for students etc. organised in close partnership with business community. The development and provision of guiding and counselling will complement the above mentioned actions and will facilitate the transition from school to workplace and the change in the status from student to future employee. The actions under this key area of intervention will provide a systematic support to internships as part of the educational process and will seek the preparation of the future graduate for the labour market and his/ her relationship with the employer.

Within this Key Area of Intervention, the operation regarding work based learning schemes/ programmes for pupils and students aims at equipping graduates of initial VET and higher education with the knowledge, skills and attitudes needed to integrate in the labour market and adapt to the employee status. The analysis shows that graduates, at their first insertion in the labour market, are confronted with difficulties to adapt to the job requirements. The answer provided under SOP HRD to this weakness consists in developing work based learning environments prior to graduation, provision of guiding and counselling, mentoring and coaching until the insertion as part of the process of transition from school to active life.

To achieve these objectives, schools and universities may also market their educational offer targets by developing awareness raising measures which include brochures presenting occupational profiles, the motivation for taking up a job etc. At the same time, the whole activity of the didactical staff should be targeted towards preparing pupils and students in order to integrate as quickly and as efficient as possible into an ongoing changing society.

Work based learning shall also support the better transition from school to active life. In this respect, the educational process should be organised as combining the theoretical classes with practical stages, in which pupils and students would perform activities, specific to the qualification they are trained for. The operations promoted under this key area of intervention may also include programmes on cultivating the initiative, innovation and motivation for work, so that each individual becomes aware of the role it has in society or in the community.

Last but not least, the locally developed curriculum should be elaborated with the involvement of the local economic actors, as well as other institutions active in the education field. The monitoring of graduates insertion on labour market will support identification of potential barriers to the insertion on the labour market and will facilitate corrective actions related to education and training provisions and transition from school to working life.

Indicative operations

- Supporting work based learning schemes/programmes for pupils and students;
- Supporting school/university/enterprise partnerships initiatives;
- Developing and providing guidance, counselling and coaching in support for transition from school to active life;
- Implementing actions for the monitoring of the insertion of graduates into labour market;
- Developing innovative actions in view of improving transition from school to working life.

3.2.2.2. Preventing and correcting early school leaving

Low educational attainment and early school leaving are considered to be factors increasing the risk of becoming unemployed and entering into long term unemployment. Actions addressing these issues aim at increasing attractiveness of the education as well as maintaining in education the potential early school leavers. Actions undertaken for preventing and diminishing early school leaving are addressing the new Lisbon integrated guidelines⁴⁷ and the European Youth Pact.

The actions targeting the early school leaving may have an integrated character:

- *Preventive* - through the development and increased access to pre-school and school education, “after school” type programs, provision of guiding and counselling, development of relevant curriculum, learner centred teaching, awareness raising campaigns etc.;
- *Remedial/Corrective* - through the development of programs for reintegrating early school leavers in education, second chance education, remedial education, flexible forms of education etc.

Roma, poor and rural population will be specifically addressed under this area of intervention, and ESF support will address, where necessary, both the pupils and their families. The operations shall aim at ensuring the basic education for all categories who for certain reasons were forced or are currently at risk of abandoning school, with a view to provide them with the elementary literacy and numerical skills needed on the labour market. For the low achieving pupils, also exposed to early school leaving, specific actions of remedial education and provision of guiding and counselling will be supported.

Since available studies show that very low share of early school leavers are reintegrated into education or participate in CVT, support programs for reintegrating early school leavers into education and training will be addressed under SOP HRD (e.g. development of “Second chance education” programs, increased flexibility in the provision of second chance education, financial support etc.). For supporting further sustainable integration of early school leavers into the labour market, all “second chance education” programs under this SOP will provide the achievement of key competences.

⁴⁷ European Commission, Communication to the Spring European Council, Working together for growth and jobs - A new start for the Lisbon Strategy, 2005;

The operations will address the educational levels of pre-school education, primary school to upper secondary education.

Indicative operations

- Supporting and developing programs for maintaining pupils in education and preventing early school leaving;
- Developing integrated programs/packages for increasing access and participation in primary and secondary education for pupils belonging to vulnerable groups, including financial support for their families;
- Promoting integrated services and alternative solutions for pre-school education;
- Implementing “school after school” type activities, assisted learning and remedial education;
- Reintegrating early school leavers in education (including “second chance education” programs);
- Providing integrated guidance and counselling for potential early school leavers.

3.2.2.3. Access and participation in CVT

Enterprises should become the main driving force in providing CVT although currently their contribution in raising adult learning participation is at a very low level. With a view to increasing participation in CVT it is essential to encourage enterprises in implementing training programmes for employees, self employed and members of the families associations and to support local partnerships that bring together enterprises, trade unions, vocational training providers, career counselling providers, NGOs in order to promote innovative CVT opportunities. The innovative actions will be directed to facilitate the increasing of adults' participation in CVT.

The use of modular training programmes will be considered for increasing participation and access in CVT. Validation and recognition of prior learning achieved in non-formal and informal learning contexts are contributing to the CVT increased participation. Credits, as performance grants, will be awarded according to the certified learning outcomes. In this respect “learning accounts” will be promoted. Also, support for individuals is needed since one of the most important issues affecting participation is that individuals cannot afford the cost of CVT programs. The development of modular programmes based on competences is also a way to provide more flexibility and to reduce both the time needed for acquire full qualifications and costs of training. It is important to develop appropriate training content, methodologies and delivery modes and to connect up training system in order to meet the needs of different kinds of participants in CVT. With a view to expanding and improving investment in the labour force, this key area of intervention advances the development of appropriate incentives and cost-sharing mechanisms for enterprises as well as individuals.

There is also a need of using ICT methodologies and materials in order to facilitate access of individuals to training programmes. Based on the findings of the surveys made, the development of *CVT offers* will be ESF supported, mainly in the following fields/sectors: environment protection, constructions, services (tourism, in particular).

This key area of intervention will focus on the development of professional knowledge and competences by training courses focused on work force's qualification and re-qualification.

Promoting the attractiveness of vocational training, including apprenticeships, is another indicative operation that ESF shall fund key area of intervention. Making CVT programmes

flexible and accessible to employees, responding thus to their needs for general and specific training, reinforcing their confidence in their capabilities and ultimately in their employability on the labour market, are other possible operations that shall be funded. The indicative operations proposed shall also include the ensuring of a more flexible supply of CVT (e.g. mobile training units), as well as the providing motivating financial incentives to participants in CVT (e.g. fees, transport, daily subsistence allowances, performance based grants, care services for family dependants, individual allowance for the additional cost occurred by participation to CVT). Special training support will be provided to unskilled and low skilled adult population (so called “hard to reach” individuals).

At the same time the operations will support acquiring sufficient knowledge by business and service managers enabling sustainable high qualification levels of their employees. Development of industry and therefore also development of employment in this sector will depend on the ability to absorb new information quickly and efficiently and put it to practical use. The growth of production and services can be expected in the professions and industries that require new knowledge, science, research and development, with the involvement of top technology and qualified labour force.

Tourism may contribute significantly to Romania’s GDP. Development of tourism in Romania, to achieve volumes comparable to neighbouring EU countries, requires, besides the development of good quality infrastructure and products to offer, the creation of suitable conditions for the training and education of qualified labour force which will ensure that competitive services are being offered.

Considering the shared responsibilities with NRDP, as highlighted under the complementarity section, the CVT under Priority Axis 2 will address the need of full qualification achievement in agriculture and forestry sector, regard less if it is the first or a new qualification.

Apart from Priority Axis 6 that focuses on the problems of groups facing the risk of exclusion from the labour market and which supports the integration on the labour market of people belonging to the vulnerable groups (Roma population, disabled people, youths over 18 years old who leave the child state protection system, a/o), this Priority Axis addresses the majority population, i.e. the employees who shall benefit from continuous vocational training in enterprises. The operations proposed under this key area of intervention may also include campaigns for promoting a general favourable climate in enterprises for Roma population and persons with disabilities, so that the operations promoted under PA 6 are complementary to and sustained by the operations developed under this priority axis.

This key area of intervention presents significant complementarities with KAI 3.2 (Training and support for enterprises and employees to promote adaptability), also with ROP and the SOP Increase of Economic Competitiveness, in what concerns the CVT areas where the labour force should be trained. These two OPs shall provide for those dynamic and high-added value sectors with high potential of economic growth, so that SOP HRD shall be able to finance the vocational training programmes carried out for the most productive and profitable economic sectors.

Indicative operations

- Providing training and retraining courses to employees;
- Providing support and incentives for employees to access CVT;
- Supporting employees to validate prior learning;
- Providing support for CVT provision at provider level and for development and diversification of CVT supply;

- Providing focused facilities for “hard to reach” individuals (unskilled and low skilled adult population);
- Supporting employers to encourage CVT participation, also through incentives;
- Supporting raising-awareness campaigns and information and career counselling;
- Developing innovation in view of CVT access, participation and further competences achievement.

3.2.3 Priority Axis 3: Increasing adaptability of workers and enterprises

Objectives

The overall objective of this PA is: promoting entrepreneurial culture, flexicurity and adaptability by supporting skilled, trained and adaptable labour force and enterprises.

The following *specific objectives* will contribute to the achievement of the overall objective:

- Increasing the entrepreneurship by supporting individuals in creating new business;
- Improving the qualification level of professionals in management and organisation of work;
- Increasing the specialisation level of employees by upgrading and improvement of skills;
- Enhancing the level of participation of social partners and NGOs in providing services to the community.

Rationale

Measures taken to improve the adaptability of enterprises, especially SMEs, and employees to the changing conditions, particularly in view of introducing modern technologies and organisational solutions on a large scale, should signify, among others, a promotion of organisational and employment flexibility (applying different forms of the work organisation and flexible working arrangements) and functional flexibility (changes in the scope of employee tasks as the firm's tasks change). The actions to be undertaken will focus on creating a self-sustaining human resources development capacity within enterprises. The process of modernising work organisation should also take place with the participation of social partners.

Romania has only relatively recently opened to entrepreneurship and, therefore, there is still much to be done in expanding and rendering the private sector more dynamic. The SOP HRD aims at promoting the entrepreneurial spirit by providing training on improving management skills at enterprise level. There will be provided training to enterprises for better anticipation and positive management of change, including economic restructuring and notably changes linked to the opening to trade in order to minimise their social costs and facilitate adaptation. Top and middle management as well as employees shall benefit from training in areas such as: marketing methods, intensive training of the personnel in acquiring entrepreneurial knowledge, diversifying the production, use of IT in productive processes, new system of quality management and promotion of innovation, training in applying the EU regulations on health and safety at work, restructuring and organisational management etc.

The ESF funded operations will also support innovative forms of work organisation, including better health and safety at work and diversity of contractual and working arrangements, with a view to improve quality and productivity at work.

The priority axis will also include support for enterprises on specific training, with focus on new technologies. Complementary to Priority Axis 2 and its interventions on increasing access and participation in CVT, which addresses the general training of the employees in order to improve their general skills and aptitudes, the operations under this Priority Axis shall be directed towards supporting specific training, where enterprises in their strive for promoting adaptability adopt highly advanced technologies. In such cases, the active employees in environment or hi-tech businesses shall be supported to get the new information available in their field of activity.

The economic development will depend on the ability of enterprises and workers to absorb new information, to improve the enterprises control procedures, to reorganise the supply chains, to proper reallocate the tasks and to put it into practical use.

The Priority Axis aims to increase productivity and promote better reconciliation of work and family life, as well. This may also include raising awareness campaigns on corporate social responsibility and encouraging the change of undeclared work into legal employment.

These interventions complement other significant interventions aimed at supporting SMEs and entrepreneurial development that are put forward in the SOP IEC. The delimitation with the SOP IEC as regards promoting entrepreneurship is that SOP HRD will train and support the adaptability of the employees and enterprises, with a view to developing their managerial competences, both for executive levels and management levels (top and middle management). On the other hand, SOP IEC will support the enterprises for the development of business incubators, will provide consultancy support, as well as support for enterprises' integration in supplier chains and clusters.

Furthermore, specific training shall be provided under this Priority Axis, which is complementary to the type of operations the SOP IEC shall provide. SOP HRD shall aim at upgrading the skills of specialists involved in specific advanced technological sectors, as a distinct type of operation available at sector level, whereas SOP IEC shall provide training as a secondary operation under the flexibility rule, related to the acquisition of specific equipment.

Enhancing partnerships will be useful for promoting new methods and models aiming at changing both present traditional arrangements and attitudes. Promoting partnership is a specific area of intervention under this priority axis but it will also be encouraged under all other priority axes, as a horizontal principle, wherever deemed relevant. Partnership is acknowledged as an efficient means for pursuing development, and involvement of all key stakeholders is another way of pushing forward co-operation for progress.

Another specific area where immediate action is needed is tackling undeclared work. This phenomenon affects employment and, thus, the Romanian economy to a significant degree, with approx. 2.7 million people working without legal employment forms.

The main target groups envisaged under this PA are:

- enterprises, public and private;
- employees;
- managing staff from enterprises, especially SMEs;
- entrepreneurs;
- social partners and civil society organizations and associations.

In order to increase the effectiveness of the programmed interventions, it will be possible to resort to the principle of complementarity between Structural Funds pursuant to Article 34 of Regulation (EC) 1083/2006, and finance actions falling within the scope of assistance of the ERDF, within the limits and conditions provided for, up to a maximum of 10% of Community funding of this priority axis, provided that these actions are necessary for the satisfactory implementation of the operation and are directly linked to it.

Key Areas of Intervention

- Promoting entrepreneurial culture;
- Training and support for enterprises and employees to promote adaptability;
- Development of partnerships and encouraging initiatives for social partners and civil society.

Indicators

Indicator	Unit	Baseline	Baseline Year	Target (2015)	Source
Output					
Number of trainees in business start-up, out of which <ul style="list-style-type: none"> • Women^{c)} 	No	805 ^{a)}	2006	30,000 • 15,000	Programme Monitoring System
Number of trainees in management and organisation of work, out of which <ul style="list-style-type: none"> • Women^{c)} 	No	88 ^{b)}	2006	15,000 • 6,500	Programme Monitoring System
Number of trainees in upgrading and improvement of skills, out of which <ul style="list-style-type: none"> • physicians • nurses 		- ^{c)}	-	280,000 • 10,000 • 60,000	Programme Monitoring System
Number of social partners and NGOs supported	No	0	2006	500	Programme Monitoring System
Result					
Rate of supported trainees creating new business	%	20	2006	35	Programme Monitoring System / surveys
Rate of certified trainees in management and organisation of work	%	76	2006	80	Programme Monitoring System / surveys
Rate of certified trainees in upgrading and improvement of skills	%	- ^{c)}	-	80	Programme Monitoring System/ surveys
Rate of supported social partners and NGOs providing services to the community (% of total financed projects)	%	- ^{c)}	-	50	Programme Monitoring System / surveys

a) training financed by the NAE;

b) training financed by MSMECTLP for the age group 18-35 years old;

c) no available data, to be determined.

3.2.3.1. Promoting entrepreneurial culture

The rigidity of the labour market and the still reduced capacity of the Romanian economy to create new jobs, especially in branches with high added value, contribute to the maintaining of a high unemployment rate. As regards the continuous vocational training for obtaining managerial and entrepreneurial skills, the objective will be to make entrepreneurship a career option for everybody, as an important solution for counterbalancing the negative effects of the structural adjustment and industry restructuring process, generating economic and social alternatives and improving the economic status of a significant number of people.

An important pre-requisite for increased competitiveness is the use of modern management systems with emphasis on conceptual human resources management, especially in small and medium enterprises. Under this key area of intervention, ESF operations shall ensure that the managers get the needed knowledge on how to make best use of the opportunities existing on the market, on the success factors that increase business' competitiveness, management and marketing strategies etc.

The operations will also address the individuals interested in starting up a business as self-employed or employers, in providing the necessary information on business environment, opportunities, how to build a business plan, what is the relevant legislation etc.

Indicative operations

- Increasing awareness of and positive attitudes towards entrepreneurial culture;
- Implementing programs and innovative services for encouraging entrepreneurship and developing entrepreneurial culture;
- Management skills training, especially for micro-enterprises and SMEs;
- Encouraging entrepreneurship through support services for pre start-up businesses.

3.2.3.2. Training and support for enterprises and employees to promote adaptability

Increasing the adaptability of the labour force and enterprises is a must, given the process of structural changes ongoing in the Romanian labour market. By ensuring that, the capacity of the labour market to anticipate and absorb the economic and social changes shall be increased. The objective of developing a modern and flexible labour market is in line with the EU priority to improve quality and productivity at work, through the development and upgrade of skills required by modern technologies and added-value sectors.

The labour force and companies will have to adapt to new technologies and be in a position to innovate constantly. They will also have to be better prepared to respond to the increasing demand for job quality, both for workers and employers, in terms of new ways of working, enhanced exploitation of Information and Communication Technologies (ICT), changes in the working status, occupational and geographical mobility etc. As regards the supply of specific training to experts in highly technological sectors, the ESF interventions shall also support the development of the skills relevant for the sectors with growth potential at regional or local level. Significant specific training shall take place in the field of environment protection, knowing that suitable training can allow the work force to take advantage of the opportunities inherent in managing the environment, such as measures related to climate change mitigation and adaptation actions and associated risks. Thus, there will be provided training on pollution management of both preventive and remedial nature, optimising the use of material resources, reducing environmental risk or clearing up environmental damage, cleaner technologies and products, resources management, such as renewable energy and ecosystem management.

These actions will result in cleaner healthier working conditions. The approach will also take due care of the development needs of the less favoured areas (small towns, villages, but also isolated and mountain localities with emerging economies).

There will be provided training to the medical staff as well as to physicians in medicine, including occupational medicine (health and safety at work). Moreover, environmental training and health care will be cross-sector approached within the training programmes. Campaigns on preventing health risks, such as on the need to undertake regular medical check ups, the damaging effects of tobacco or alcohol, on the need to preserve a proper working environment, free of risk factors (e.g. stress, noise and pollution), preventive health care for children and elderly in the event of heat waves shall also be promoted. Altogether, activities within the frame of these interventions will contribute to the better knowledge of the employees in relation to the changes of economic, social, technological and environmental conditions.

The proposed operations will therefore concentrate on increasing the specific knowledge, expertise and competences of both employers and employees related to the current economic changes or evolutions. This key area of intervention will encourage the supply of specialised training, the setting up of modern forms of work organisation, innovative actions aiming at increasing work productivity and the harmonisation of work with family life, including through more flexible working programmes. At the same time, the initiatives in the field of employment, in terms of flexibility and security (flexicurity) on the labour market, especially for promoting active ageing and participation of women on the labour market will be further developed.

Romania is significantly lacking flexibility and diversity of employment forms, as well as forms of work organisation, together with the absence of flexibility and mobility of the workforce. With such activities, the SOP HRD will focus on the use of flexible forms of work organisation and on support of the competitiveness of enterprises and organisations in the economic areas with growth potential.

Indicative operations

- Supporting innovative methods for flexible work organisation, including new working practices and improved conditions;
- Providing skills training for employees to improve quality and productivity in the workplace;
- Supporting activities and measures for occupational diseases prevention, health and safety at work, as well as for a friendly work environment and for the reconciliation of work and family life;
- Promoting and supporting training of health management and medical staff;
- Information and awareness campaigns addressed to change social attitudes and stereotypes towards vulnerable groups in the working environment;
- Providing training in new technologies, including ICT, environment and controlling pollution;
- Promoting trans-national exchanges of experience in increasing adaptability;
- Award/quality certification for enterprises promoting flexible organization at work and services aimed at facilitating their employees' reconciliation of work and family life.

3.2.3.3. Development of partnerships and encouraging initiatives for social partners and civil society

As part of the social dialogue, promoting initiatives for and developing capacity building of social partners are areas that need to be strengthened. The operations promoted under this key area of intervention shall support the improvement of capacity of social partners and civil society, i.e. trade unions, employers' organisations, Sectoral Committees, NGOs, Regional Pacts and Local Partnerships for Employment and Social Inclusion and their Permanent Technical Secretariats, other relevant networks in employment and social field to fully contribute to the development of human resources in Romania.

Efforts to implement sustainable development involve adjustments and opportunities at the national and enterprise level, the workers being the most concerned of these developments. As their representatives, trade unions are vital actors in facilitating the achievement of sustainable development in view of their experience in addressing industrial change, the extremely high priority they give to the protection of the working environment and the related natural environment, and their promotion of socially responsible and economic development. The existing network of collaboration among trade unions and their extensive membership provide important channels through which the concepts and practices of sustainable development can be supported. The established tripartite and bipartite principles provide a basis for strengthened collaboration between workers and their representatives, Governments and employers in the implementation of sustainable development. It becomes, therefore, of utmost importance that trade unions and employers' organisations continue their efforts in building capacity especially in developing activities in the field of education, life long learning, employment measures and social inclusion. The ESF operations funded under this key area of intervention shall strengthen partnership between social partners, Sectoral Committees, civil society, not only among themselves, but also with public authorities and institutions and other key economic actors in order to deliver the best development strategies at national, regional and local level.

At the same time, civil society - NGOs have been actively engaged, although not on a large scale, in developing a comprehensive and multidisciplinary approach towards the prevention of and fight against social exclusion of vulnerable groups. Areas of activity where public services failed to intervene were taken up by representatives of civil society concerned with the situation of such people at risk. However, in order to extend and make their interventions even more efficient, the NGOs need to strengthen their administrative capacity and increase their potential of acting as reliable partners alongside the social services, public authorities and institutions, to the benefit of the public at large.

The types of operations that will be promoted will aim at improving the capacity of social partners and civil society representatives to provide reliable public information and civic advisory services, encouraging initiatives to activate local community in the public life, monitoring the activities of public institutions and participate in the decision process etc. Generally, the operations will support trade unions, employers' organisations and NGOs, including Roma NGOs, to develop their capacity to elaborate strategies, action plans and self regulation aiming to increase their impact in society.

In order to promote and stimulate the partnership principle, under this key area of intervention support will be given to the networking measures and activities jointly undertaken by the social partners. Thus, under this key area of intervention Regional Pacts and Local Partnerships on Employment and Social Inclusion will be supported. In order to ensure the

functioning of these Pacts, the ESF will contribute to the financing of its Permanent Technical Secretariats, in line with the Community regulations.

The amount allocated to social partners, according to the art. 5 of the Regulation 1081 under this Key Area of Intervention, represents 2.26% of the total financial allocation of the programme. Taking into consideration that other activities dedicated to social partners such as quality in CVT, adaptability (training on flexicurity, new forms of organisation of work, etc.) are financed under other Priority Axes, the total allocation is estimated to raise to aprox. 3%.

Indicative operations

- Assistance and support to drawing up action plans for encouraging and developing partnerships;
- Identifying and implementing paths towards boosting the interest of employers and other stakeholders in increasing investments in human resources and increasing the Corporate Social Responsibility;
- Develop social partners' internal capacity to build human resources development capability, emphasising standards and certification;
- Strengthening NGOs organisational capacity to support co-operation with local and national public authorities in order to promote joint social inclusion initiatives including development of voluntary services and charities;
- Improving capacity to support initiatives for shaping civic responsibility, through participation in public debates and to facilitate the access to public information;
- Developing initiatives to encourage networking at the national level and EU level;
- Development of advisory services for NGOs and for grass roots initiatives that promote employment and social inclusion, including social partners who activate on the labour market;
- Raising awareness campaigns and support for local and social partnerships to transform informal work in formal employment.

3.2.4 Priority Axis 4: Modernisation of Public Employment Service

Objectives

The overall objective of this PA is: the increasing the quality, efficiency and transparency of employment services provided by the Public Employment Service.

The following *specific objectives* will contribute to the achievement of the overall objective:

- Raising the level of self-services provided by employment agencies;
- Increasing the quality management in Public Employment Service;
- Improving the competences of PES staff in providing services to clients;
- Enhancing the AEM's provision, especially vocational training programmes for unemployed.

Rationale

The significant dynamic and the speed of changes on the labour market in Romania requires both the identification and implementation of new employment measures and the development and broadening of the existing one, as a response to the new demands of the labour market, and also the development and modernisation of Public Employment Service, as a requirement also identified in Joint Assessment Paper 2005 (JAP).

The target group of this PA is the staff of the NAE, including territorial structures.

The measures for modernisation and enhancement of quality implemented by PES have grounded the development of modern employment services. The employment trends are emphasizing tailored services and individual action plans. Thus, it is necessary to increase the level of social and vocational competences of PES staff in order to design and implement individual action plans for and together with jobseekers and to pre-select persons according to the labour force demands. All the information comprised in the individual action plan shall be integrated into a jobseekers database which shall also contain non-structured information concerning work experience and the level of jobseeker competence, as a standardized part for all jobseekers.

The information concerning the demand of competences on the labour market is barely sufficient, as well as the limited system of registering vacancies currently used by PES – the information are usually describing only the job title, according to the Romanian Occupations Classification, and some of the job requests, especially the certificate which represents the requested level of qualification, which does not comprise all the competences achieved at the working place. This lack of information concerning vacancies classification causes difficulties in the process of job mediation. Therefore, the Public Employment Service shall develop its own system of vacancies registration, especially based on the ISCO which has as main advantage the classification of occupations by the activity performed and by the level and type of needed competences.

At the same time, PES shall develop its own system for registering labour market information in order to ensure the transparency of employment services provided and the implementation of “self-service” type of services at the level of all employment agencies.

In this context, the operations under this Priority Axis shall support strengthening the administrative capacity of national, county and local employment agencies, taking into account the needs for further modernisation of this service, as well as the need for developing the services that are actually delivered to the individuals.

The approach in modernising PES shall also take account of geographical, economic and social considerations. To this ending, besides the general modernisation process that will take place nationally, county employment agencies shall elaborate their own development plans which will be adapted to the particularities and profile of their region.

Moreover, ESF funded interventions will support PES will to reconsider the tackling of unregistered unemployment, especially in rural areas and for vulnerable groups (Roma people, disabled people, youths over 18 years old leaving the state child protection system, as well as other categories of persons in difficulty).

By ensuring the transparency of services provided and the quality of information regarding the labour market, PES can perform an adequate implementation of employment programmes. In order to improve the quality of information regarding labour market, as it is also recommended into the JAP, the Public Employment Service shall improve its own capacity of carrying out studies, analyses and forecasts on the labour market. The information provided by these analyses, studies and forecasts are needed both for designing and implementation of the employment strategies and policies.

In order to increase the effectiveness of the programmed interventions, it will be possible to resort to the principle of complementarity between Structural Funds pursuant to Article 34 of Regulation (EC) 1083/2006, and finance actions falling within the scope of assistance of the ERDF, within the limits and conditions provided for, up to a maximum of 10% of Community funding of this priority axis, provided that these actions are necessary for the satisfactory implementation of the operation and are directly linked to it.

Key Areas of Intervention

- Strengthening the Public Employment Service capacity to provide employment services;
- Training of PES staff.

Indicators

Indicator	Unit	Baseline	Baseline Year	Target (2015)	Source
Output					
Number of supported employment agencies	No	35	2005	200	Programme Monitoring System
Number of analysis and forecasts on labour market	No	0	2005	36	Programme Monitoring System
Number of staff trained	No	1,048	2004	3,000 ^{a)}	Programme Monitoring System
Result					
Number of employment agencies providing "self-service"	No	0	2006	100	Programme Monitoring System
Share of employment agencies certified in quality management	%	90	2005	95	Programme Monitoring System
Share of trained staff achieving certificate	%	70	2004	80	Programme Monitoring System
Share of unemployed in training programmes in total unemployed benefiting from AEM	%	6.68	2005	10	Programme Monitoring System/surveys

a) The target refers to number of persons in the target groups supported regardless the number of ESF funded training she/he attends.

3.2.4.1. Strengthening the Public Employment Service capacity to provide employment services

The modernisation of the Public Employment Service, i.e. the National Agency for Employment and its county agencies, started in 2002 and envisaged the decentralisation of employment services, the improvement and diversification of services provided to beneficiaries, i.e. the employers, job-seekers and the unemployed. In order to have a decisive impact in the labour market, the PES must be able to act quickly and if possible even anticipate the changes. It is therefore fundamental to strengthen the capacity of analysing the labour market and produce labour forecasts and act strategically on the employment services delivery. To that end, the PES should also strengthen its main role as co-ordinator of the

different employment service provider on the labour market. Within the process of extending and improving the employment services, PES will also take into consideration the necessity of tackling the unregistered unemployment, especially in rural areas and for vulnerable groups (Roma, disabled, youths over 18 years old leaving the state child protection system etc). The ESF funded operations shall support also differentiated geographical and social interventions, responding thus to the specific difficulties and social groups existing at regional and local level. Thus, there shall be promoted actions that will lead to an improved relationship between PES and its clients, and also to an increased access to active employment measures.

The PES will therefore develop a proactive attitude towards the jobseeker that encompasses not only the registration of the jobseeker, but includes truly personalised services oriented to raise his/her employability, starting in the immediate analysis of the jobseeker's profile identifying possible obstacles to his/her integration/reintegration in the labour market, developing a personalised action plan of integration/reintegration and providing support even after the signature of a job contract.

To live up to its duty as information provider and to improve methods of work the PES will provide a comprehensive, computer-based system. This system shall facilitate access to information for clients. The PES must guarantee the quality, content and relevance of the information and must offer extensive assistance for users of the system. Also, in order to facilitate the process of providing employment services there will be promoted “self-service” type of services in most of the employment agencies. The resources released by the new matching methods shall be redirected to counselling and personal assistance, addressing skills and labour shortages as well as to issues relating to internal organisation.

In order to have more and more successful jobs intermediated, the PES will develop strong networks with regional/local authorities, social partners, social services, and education and vocational training providers. These are actors that have to be involved in the implementation of employment and social policies and have a decision-making role at local level. Such partnerships are fundamental in order to create a comprehensive approach to unemployment and to reduce the levels of social and unemployment benefits dependence (mainly in rural areas).

The modernisation of the PES creates better opportunities for more people to find a better job. The Public Employment Service will become better equipped to anticipate and resolve possible mismatches in the labour market, and to make sure that occupational and geographical mobility of workers will be ensured. Through the operations aiming at improving PES performance, there will be obtained better accompanying and personalised services for PES beneficiaries.

Indicative operations

- Developing and implementing innovative and trans-national actions in support of PES modernisation;
- Developing tailored assistance service and individual approach for unemployed with difficulties in integration/reintegration on the labour market;
- Development of „self-service” type services;
- Developing solutions to tackle the unregistered unemployment, especially in rural areas and for vulnerable groups;
- Developing databases related to services provided, vacancies and employers;
- Drawing up analyses, studies, researches and forecasts regarding the labour market, including the overall status of the undeclared work or informal employment;
- Broadening of quality management system;

- Improving the system of providing services of vocational training for labour force (e.g. adult vocational training centres);
- Designing and implementing adequate tools for the monitoring and evaluation of the real impact of active measures on labour market;
- Development of actions aiming at better visibility of the PES and supplied services.

3.2.4.2. Training of the PES staff

In building up and setting up a modern PES, staff vocational training and updating activities gain more significance and importance. Most of the staff in charge should become more aware of the new commitments required by the processes taking place in economy and on the labour market. To these changes PES staff has to respond quickly, efficiently and highly professional. To reach this objective, PES shall design a training map for the qualification and re-qualification of staff involved in providing employment services for clients. The training programmes shall also raise awareness among civil servants of a new service culture and shall supply the necessary skills in order to cope with the main changes following the developments in economy and on the labour market, at regional and local level. Undoubtedly, there is a clearer connection between training programmes and the activities carried out, as well as a higher coherence between training activities and organising/managing innovations undertaken.

Further on, by consolidating the new operating procedures and an advanced approach to the new services delivered by the personnel working directly with clients, training activities shall be addressed to the creation of institutional networks and to the creation and refining of managing competences. As regard to managers, there will be ensured training programmes on more qualified issues, admitting that under the programmes supplied until now certain professional needs have not been met yet, and specific tools as how to better match the supply and demand of the labour force need further consideration. Moreover, training in marketing and communication strategies will be delivered, too.

The operations supported under this key area of intervention shall include: training programme models, aiming to enhance specific competence to implement employment services (information and guidance, supply/demand matching, providing of personalised services) with projects addressed to qualify and homogenise quality services supply all over the country; the development of skills as regards labour market analysis and prognosis, job-brokerage and new innovative specialised services for PES clients.

The operations funded under this key area of intervention shall support the activities carried out with a view to strengthening the public employment service capacity to provide employment services. Thus, the Public Employment Service will enhance its efforts for increasing the quality of services provided by increasing the level of social and vocational competences of staff, taking into consideration one of the main objectives of the European Employment Strategy which stipulates that active measures should have the highest share among the employment services.

Indicative operations

- Improving the PES staff vocational training system, including training programme models;
- Training of PES staff to provide employment and assistance services, including services to persons with special needs (Roma people, persons with disabilities, young people over 18 leaving the state childcare system, other categories of persons at risk);

- Training of the PES staff to the promotion of the “mainstreaming” culture/gender differences attention and vulnerable groups specific needs;
- Training in extensive use of modern information and communication technologies;
- Training and innovative and trans-national actions to support new forms of organisation and management;
- Developing vocational competences of staff in order to perform analyses and forecasts on labour market, planning, work with special groups etc.

3.2.5 Priority Axis 5: Promoting active employment measures

Objectives

The overall objective of this PA is: facilitating the integration on the labour market of young and long-term unemployed, attracting and retaining more people in employment, including in rural areas, and supporting formal employment.

The following *specific objectives* will contribute to the achievement of the overall objective:

- Enhancing the participation of LTU in AEMs integrated programmes;
- Increasing the participation of individuals living in subsistence agriculture in employment integrated programmes;
- Improving the job attainment for participants from rural areas in employment integrated programmes.

Rationale

Increasing the employment rate to full employment, as establish in EES and in the national strategic documents, represents a key objective and involves promoting active and preventive employment measures leading to diminishing the unemployment and inactivity rate.

The main target groups for this PA are:

- young and long-term unemployed;
- unemployed over 45 years;
- inactive and discouraged persons;
- persons in rural areas living in subsistence agriculture;

Taking into account the negative effects of the continuous demographic decrease, the economic restructuring and long-standing adaptation to the market needs, the Romanian employment policy aims at tackling unemployment and inactivity through innovative and flexible active and preventive labour market measures. These types of measures were addressed in the Employment Act (enforced in 2002 and subsequently amended to this date). The measures envisaged have a lifecycle approach, being focused on the groups of persons with a difficult situation on labour market, i.e. youths and long-term unemployed. A special focus will be put on the long term unemployed, who registers rates above the EU average.

Promoting active and preventive employment measures will have positive results both on the unemployed and employers' mentalities as regards employment. Moreover, it means removing different obstacles regarding the access on the labour market, providing assistance and counselling for job-seekers, facilities for access to different active measures and removing the inactivity trap.

The active employment measures shall also include training programmes in the field of entrepreneurship for the youth and long term unemployed and the inactive people, including the rural area and subsistence agriculture, enabling them to become active on the labour market, to get the basic knowledge on how to elaborate a business plan, the applicable legislation they have to comply with, marketing issues, client-oriented strategies etc. Once they become legal entities, the incentives and financial support will be provided under the OP Competitiveness.

The incidence of long-term unemployment accounts today for the largest share of total unemployment in Romania, which demonstrates that, while the functional short-term unemployment has decreased for various reasons, long-term unemployment has remained relatively constant and at times has increased slightly. Persistence in Romania of long-term unemployment rate reflects the poor capacity of the Romanian economy to generate sufficient jobs and the rigidity of the local labour market, which in some cases does not allow the match between supply and demand.

Another problem Romania is confronted with is the high rate of employment in agriculture (32.2% in 2005), but which is on a descending trend. If one takes into account the employment status in agriculture (almost preponderantly contributing family workers and self-employed) and the forthcoming release of labour supply from agriculture, Romania has to adopt urgent measures to redirect this huge supply. The most suitable direction is the services sector and the means to achieve this shift from subsistence agriculture to formal activity in other economic sectors are: promoting education, training and employment opportunities for people living in rural areas, counselling and assistance for starting up a business and other self-employed activities.

Taking all these into account there were established two key areas of intervention: developing and implementing active employment measures, and promoting long term sustainability of rural areas in terms of human resources development and employment. Since there are significant regional and urban/rural employment discrepancies (in terms of activity and employment rate, unemployment, participation rates in economic sectors, participation on the labour market per age), this key area of intervention shall be adequately implemented in each region. Active employment measures shall be also encouraged within urban regeneration projects to target the social inclusion of marginalised local communities/groups.

In order to increase the effectiveness of the programmed interventions, it will be possible to resort to the principle of complementarity between Structural Funds pursuant to Article 34 of Regulation (EC) 1083/2006, and finance actions falling within the scope of assistance of the ERDF, within the limits and conditions provided for, up to a maximum of 10% of Community funding of this priority axis (15% when Article 3(7) of Regulation 1081/2006 applies), provided that these actions are necessary for the satisfactory implementation of the operation and are directly linked to it.

Key areas of intervention

- Developing and implementing active employment measures;
- Promoting long term sustainability of rural areas in terms of human resources development and employment.

Indicators

Indicator	Unit	Baseline	Baseline Year	Target (2015)	Source
Output					
Number of LTU participants in integrated programmes, out of which <ul style="list-style-type: none"> • Women • Young 	No.	34,806 ^{a)} <ul style="list-style-type: none"> • 15,170 • 8,399 	2005	65,000 <ul style="list-style-type: none"> • 30,000 • 16,000 	Programme Monitoring System
Number of participants from rural areas in the integrated programmes	No.	96,790 ^{b)}	2005	150,000	Programme Monitoring System
Result					
Rate of certified LTU participants in integrated programmes, out of which <ul style="list-style-type: none"> • Women ^{c)} • Young ^{c)} 	%	55	2005	60	Programme Monitoring System
Rate of certified participants from rural areas in the integrated programmes, out of which <ul style="list-style-type: none"> • Women 	%	0	2005	50	Programme Monitoring System /surveys
Rate of certified participants from rural areas in integrated programmes getting a job	%	0	2005	15	Programme Monitoring System /surveys

a) participants benefiting mainly from counselling and training services, out of which 29,312 only counselling services (State budget)

b) participants benefiting mainly from counselling and informing programmes (State budget)

c) not available data, to be determined.

3.2.5.1. Developing and implementing active employment measures

Attracting and retaining more people in employment, reducing unemployment and inactivity, by increasing the demand and supply of labour, are key objectives of Romania's HRD Strategy. The activities envisaged to be funded by the ESF shall aim at improving the attractiveness of jobs and the quality of labour productivity, preventing exclusion from the labour market, reducing regional disparities in terms of employment, unemployment and labour productivity, especially in regions lagging behind. Since youths' and older workers' unemployment rates are higher than for other groups, this key area of intervention shall aim at facilitating progress in employment, whether it is first time entry, a move back to employment after a break or the wish to prolong the active life. Under this key area of intervention there will be supported operations dedicated to increasing the participation of youths and long-term unemployed, among which youths once again ranks high, to specific active measures that will enable them to reintegrate on the labour market.

The problem of long term-unemployment rests often with towns where there can be found problems linked to reconversion, and where in order to solve them there is a need to initiate additional measures such as centres for the personnel of restructured enterprises, employment services for disadvantaged groups and temporary labour agencies.

The main purpose of the ESF operations under this key area of intervention is to make the

youths and long-term unemployed flexible in order to meet the changing needs on the labour market. This is an area which links to the PA 4 “Modernisation of Public Employment Service”, and which also stimulates the intervention of the private placement agencies. The measures that shall be promoted will be to assist job-seekers in finding a job, to offer employment services to private and public employers, to help persons who are receiving social assistance to find a job quickly so that they will be able to support themselves and their families, to assist persons with reduced working capacity to find a job.

To this ending there will be promoted measures on vocational information and counselling, assistance in planning a professional career and job-seeking, job clubs, work trial, education and training programmes, on-the-job training, local employment programmes in public works etc.

At the same time, the projects will ensure employment incentives for employers to hire youths and long-term unemployed, especially for the difficult-to-employ persons. Seasonal jobs can also be promoted under these schemes.

Indicative operations

- Supporting all activities related to active labour market measures;
- Developing and implementing tailor-made action plans, providing job search assistance, guidance services and training for young and long-term unemployed, older workers, jobseekers re-entering on the labour market after a period of absence;
- Developing and implementing measures and trans-national actions for promotion of occupational and geographical mobility;
- Measures for a better match between the individual skills, education and work potential and labour market opportunities (balance and work diagnostics);
- Developing and implementing innovative methods for the promotion of the employment of the young and long-term unemployed people;
- Promoting dual systems of financing the employment of young people, combining training in vocational schools and enterprises⁴⁸.

3.2.5.2. Promoting long term sustainability of rural areas in terms of human resources development and employment

During the last decades, the realities in the rural areas⁴⁹ and agricultural structures have changed significantly. The collectively farmed land was returned to the previous owners or has been distributed among the collective farm workers who had lost their jobs. Today, land ownership is highly fragmented, with the result that most of the farmers are reduced to subsistence farming.

In the context of SOP HRD, people employed in agriculture shall mean people who earn an income from agricultural activities, either as technicians or farmers in agricultural zoo-technical undertakings or authorised self-employed agricultural producers, whereas people in subsistence agriculture shall mean “household production for its own final consumption” (contributing family workers).

⁴⁸ The dual system combines training at vocational schools and enterprise levels. Dual system trainees are students employed by enterprises and provided with trainee wages and social security coverage. The main advantage is that training is so close to real work that young people can smoothly shift from training to working.

⁴⁹ See footnote 1, page 4.

SOP HRD will fund operations aiming at extracting economically inactive people living in rural areas, who earn their livings from subsistence agriculture activities, performed in their households. The products obtained by them are not marketable but are used for their own consumption.

The people in this situation are facing great difficulties in order to make the leap to the stage of employed people: the educational background is generally compulsory and secondary education, with limited or no training programmes undertaken afterwards. The operations proposed under this key area of intervention shall aim at orienting this target group towards non-agricultural sector, i.e. industry and service sectors.

Also, the programme will support the participation of the rural population to suitable training programmes allowing the workforce to take advantage of the opportunities inherent in managing the environment and encouraging respect for the environment.

For these people who will get new occupations in non-agriculture economic sectors, the ESF interventions take the form of personalised services, guidance, counselling and specific training programmes adapted to their special needs, job placement and other programs aiming to facilitate their access on the labour market, in non-agricultural activities/sectors.

The projects financed through ESF will ensure the qualification of rural population, especially of those involved in subsistence agriculture, in areas in demand on the regional or the local market: construction, tourism, complementary services, specific crafts, social or healthcare services, information technology/telecommunications etc. Within this key area of intervention the rural population involved in subsistence agriculture will be also supported to achieve other necessary skills in order to fulfil personal development and to facilitate their insertion on the labour market: compulsory ICT and foreign languages modules etc.

Also, the programme will support the participation of the rural population to suitable training programmes allowing the workforce to take advantage of the opportunities inherent in managing the environment and encouraging respect for the environment. Modalities of delivery will include: seminars and modular courses, on the job training, outreach training etc. The vocational training programs will also comprise modules on health and safety at work (including limiting risk factors at work). Emphasis will primarily be put on the support of modern and flexible training forms and methods.

Given the fact that educational needs might be more prominent, the training programmes will also include activation and motivational components. Other modules, such as on promoting sustainable development in rural areas and preserving a good health as a condition for participation on the labour market, shall be included in the training programmes (tailored campaigns on preventing health risks, such as regular medical check ups, the damaging effects of tobacco or alcohol etc.). The objective of integrating the inactive people in the rural areas, following personalised activation measures will create the premises for ensuring long term sustainability, by reducing subsistence agriculture and developing lucrative businesses.

As regards job placement, the operations shall aim at providing more accessible and personalised orientated services to this target group towards non-agricultural sector, i.e. industry and service sectors, through carrying out local information and raising awareness campaigns regarding employment opportunities in non-agricultural activity areas, providing personalised support in finding a workplace and placement services, organising job-clubs in the rural areas and guided job fairs etc.

To increase the mobility of the rural workforce, carrying out promotion campaigns (which include brochures presenting occupational profiles, the motivation for taking up a job etc.) for the occupational, sectoral and geographical mobility of the workforce and other innovative measures in this area is also important.

Appropriate incentives and cost-sharing mechanisms for enterprises as well as individuals shall be provided (transport, allowance for installation in a new location, daily subsistence allowance, performance based grants, additional cost occurred by the participation to the project like costs incurred by care services for family dependent members, living costs for those not receiving salaries or revenues during the training etc.), support and incentives for employers.

To assure the development of an entrepreneurial culture in rural areas, the program will support also promotion campaigns to promote the entrepreneurship, training and counselling programs, and other support services in entrepreneurship issues, for those who wish to start a small business in rural areas.

Indicative operations

- Developing integrated programmes for training, employment and other supporting measures for people in rural areas, aimed at reducing subsistence agriculture;
- Developing measures for promoting occupational and geographical mobility of rural labour force in order to take up all existing employment opportunities and to increase the regional cohesion;
- Developing measures for improving the environment in rural areas and the health condition of the rural population, aiming at increasing its motivation, availability and opportunity to participate on the labour market;
- Supporting for dependent family members, assistance services and other associated activities that enable the individual to participate in the labour market;
- Promoting programmes that support and encourage business start-up in non-agriculture activities.

3.2.6 Priority Axis 6: Promoting social inclusion

Objectives

The overall objective of this PA is: facilitating access on the labour market of vulnerable groups and promoting a cohesive and inclusive society in order to ensure the welfare of all citizens.

The following *specific objectives* will contribute to the achievement of the overall objective:

- Promoting and supporting job creation in structures of social economy;
- Increasing the qualification level of persons belonging to vulnerable groups;
- Improving the level of skills and competences of professionals in the field of social inclusion.

Rationale

The priority axis is focused on developing specific programmes for personal development in order to reinforce the motivation for vocational training and integration on the labour market

of vulnerable groups, as well as on improving their access on the labour market. Specific actions to combat direct and indirect discrimination will be complemented by measures to improve activity rates.

The target groups for this PA are the vulnerable groups as identified in the JIM:

- Roma;
- Disabled persons;
- Young people leaving the State Protection System;
- Women;
- Families with more than 2 children;
- Single parents;
- Children at risk;
- Offenders and ex-offenders;
- Drugs and alcohol addicted;
- Homeless people;
- Victims of domestic violence;
- HIV/AIDS infected people;
- Individuals affected by occupational diseases;
- Refugees, asylum-seekers.

Social inclusion can be successfully achieved only by using a complex approach that addresses all spheres (employment, education, housing, health care, social protection etc.) and at the same time, making full use of the available resources in an efficient and concentrated manner. However, effective co-ordination can be attained with all stakeholders aware of the aims and benefits of such synchronised action and with all willing to participate. This can be achieved by providing adequate access to basic services (water, electricity etc.), to information, as well as by ensuring a non-discriminatory treatment for them in having access to the opportunities provided in society.

The far-reaching objective of Romania is to successfully build an inclusive society based on a general understanding and respect. Although significant steps have been made, improvements still need to be made in approaching the people belonging to vulnerable groups, helping them fill the gaps that separate them from the majority population in terms of education, work culture and skills required on the labour market.

The objective is to concentrate efforts on prevention and on helping these people to get the adequate training and to enhance their opportunities for integration on the labour market. The educational issues, including mainstreaming some of these vulnerable groups in general schools shall be addressed under Priority Axis 1. In the case of the most disadvantaged, the improvement of employability shall be based on an integrated approach that will take into consideration the complexity and accumulation of problems arising from social and economic disadvantages. Personal intervention plans aiming to improve the employability, as well as supporting services tailored to their individual needs should be the main action to be taken in the case of social inclusion of vulnerable groups.

Roma population is one of the most disadvantaged groups in the Romanian society in terms of integration on the labour market; therefore, special attention will be given to ensure that more and more Roma people are involved in the supported integrated projects. The Roma Community with an inactivity rate of more than 75% is an important source of untapped potential. The Roma will be given the opportunity to improve their educational standards, realise their potential skills, harness and formalise their entrepreneurial abilities to achieve a better standard of living without the threat of harassment and discrimination. Recognition of the value and benefits of diversity and traditional customs to the economy can bring about real change and innovation both in society and the workplace. The operations will aim at motivating them for integration on the labour market, for activating them in lucrative activities and for changing mentalities as regards the benefits of education.

The trans-national co-operation will further support this programme of activity by sharing best practice, learning from the experiences of others, promoting innovation and joint working as well as providing wider opportunities for research and development.

In order to strengthen and promote social inclusion, the setting up of local partnerships, i.e. co-operation between NGOs, voluntary organisations, business environment and local authorities, shall be also encouraged. It is foreseen that local partnerships will take an active role in the provision of family support services to ensure that domestic responsibilities are not a barrier to participation in the labour market. Facilities and funding should be available to ensure participants' options are not restricted. Bringing disabled people into the labour market will be enhanced through training and helping them to find and retain jobs, as well as through encouraging employers to open more opportunities to them. Training and employment of disabled people will require special accessibility, equipment and devices.

With a view to delivering their services to these target groups, NGOs will need to enhance their capacity through training of staff, improvement of their skills and by strengthening the co-operation between organisations. That need shall be addressed in Priority Axis 3 "Increasing adaptability of workers and enterprises", the Key Area of Intervention 3 "Development of partnerships and encouraging initiatives for social partners and civil society", which will support and strengthen the civil society's representatives capacity to elaborate and implement project and, by that, to provide quality services.

The strengthening of the NGOs sector shall have positive effects on the delivery of social services to family members who otherwise would not have had the possibility to enter the labour market. Child care services and services for dependants supplied by these NGOs will have as a result the integration on the labour market of an increased number of people capable of making an economic contribution.

The local authorities will be encouraged to create and develop partnerships with NGOs representing the vulnerable groups in order to better reach the marginalised people or communities who need most this kind of support, both within urban areas, which are the target of urban regeneration intervention, and rural areas. Through partnership and trans-national co-operation, SOP HRD will support the social economy to increase its role in the delivery of innovative, high quality services, thereby enhancing its contribution to community regeneration, sustainable economic development and labour market integration in Romania.

For certain categories of women, the integration on the labour market, after years of bringing up their children can be a challenge. Long term inactivity often means loss of the competences and abilities required on a fast changing labour market, which is sometimes backed up by insecurity or lack of self-confidence in taking up a new job.

Training, distance learning programmes, employment services and counselling should be delivered to ensure the updating of knowledge and skills necessary to get a job. Business starters and self-employed should be assisted through advisory services and the development of entrepreneurial skills. There is a strong need to create especially broad opportunities for women pursuing entrepreneurial activities in the service sector, an area not yet sufficiently developed. To ensure that women with children or looking after their relatives at home can participate in training programmes, take a job or pursue entrepreneurial activities, diversified care services are needed. Therefore, support will be given for providing such services, particularly when they offer employment to unemployed and inactive women.

Although ESF interventions for vulnerable groups are primarily addressed under this Priority Axis, the people belonging to vulnerable groups (e.g. Roma, disabled, youth over 18 years old leaving the state child protection system, women a/o) shall be also eligible under other Priority Axes.

In order to increase the effectiveness of the programmed interventions, it will be possible to resort to the principle of complementarity between Structural Funds pursuant to Article 34 of Regulation (EC) 1083/2006, and finance actions falling within the scope of assistance of the ERDF, within the limits and conditions provided for, up to a maximum of 15% of Community funding of this priority axis [Article 3(7) of Regulation 1081/2006 applies], provided that these actions are necessary for the satisfactory implementation of the operation and are directly linked to it.

Key areas of intervention

- Developing social economy;
- Improving the access and participation of vulnerable groups on the labour market;
- Promoting equal opportunities on the labour market;
- Trans-national initiatives on inclusive labour market.

Indicators

Indicator	Unit	Baseline	Baseline Year	Target (2015)	Source
Output					
Number of set up structures of social economy	No.	3	2005	830	Programme Monitoring System
Number of participants in training/retraining programmes for vulnerable groups, out of which <ul style="list-style-type: none"> • Roma • Disabled • Post-institutionalised young people 	No.	6,487 ^{a)} <ul style="list-style-type: none"> • 1,500 • 160 • 221 	2005	150,000 <ul style="list-style-type: none"> • 65,000 • 20,500 • 5,400 	Programme Monitoring System
Number of dependants supported	No.	12,526 ^{b)}	2005	40,000	Programme Monitoring System
Number of participants in training programmes for professionals in the field of social inclusion	No.	4,795 ^{c)}	2005	10,000	Programme Monitoring System
Number of supported trans-national initiatives and partnerships	No.	0	2006	120	Programme Monitoring System
Result					
Number of jobs created by the structures of social economy	No.	12	2005	5,000	Programme Monitoring System
Rate of certified participants in training/retraining programmes for vulnerable groups <ul style="list-style-type: none"> • Roma • Disabled 	%	- ^{d)}		55 <ul style="list-style-type: none"> • 60 • 60 	Programme Monitoring System / surveys

Indicator	Unit	Baseline	Baseline Year	Target (2015)	Source
• Post-institutionalised young people				• 50	
Rate of certified participants in training programmes for professionals in the field of social inclusion	%	83	2005	85	Programme Monitoring System / surveys

- a) participants in training programmes for unemployed (State budget)
b) financed under Phare Civil Society, 2003 – Social Access Programme;
c) services financed by State and Local Budgets;
d) not available data, to be determined; the ex-post evaluation report on Phare 2002 shows data on participants drop out rate (15.6% for post-institutionalised, 10.4% for Roma) but no data on certified participants.

3.2.6.1 Developing social economy

NGOs are recognised as service suppliers of general interest in many areas, such as social, medical and educational. The development of social economy in Romania will benefit from several perspectives. By the strengthening of this sector, on the one hand, there will be enhanced the creation of flexible and innovative employment, there will be set up strong local development policies, there will be promoted services to people, active citizenship, social co-operation and solidarity. On the other hand, it will be encouraged the emergence in the economy of new actors such as co-operatives, aid associations, foundations and other voluntary associations. The combined activity of the social economy promoters will result in increased job opportunities for the vulnerable groups that are excluded from the labour market activities, making thus a significant contribution to social cohesion.

The social economy is important because a range of actions other than the actual work are undertaken so as to enhance employability further and maximise their chances of subsequent employment, including training, counselling, confidence building and healthy life style. It contributes to a range of community goals and has the potential to create collective wealth through the production of goods and services.

The ESF funded operations for promoting social economy shall support entities such as NGOs, social cooperatives, mutual associations, other charity and voluntary organisations, to provide a flexible and sustainable tool that can help communities to achieve their own objectives, such as:

- stimulating job creation and skills development;
- enhancing community capacity for social supports;
- supporting economic growth and neighbourhood revitalisation;
- protecting the environment;
- mobilising disadvantaged groups.

Such social services of general interest have specific characteristics distinguishing them from other services of general interest. The activities promoted shall be based on the principle of solidarity and shall also rely on the voluntary participation of citizens and of not for profit organisations. They will be developed as closely as possible to the users, in partnership with local authorities and other important economic players at regional and local level.

The setting up of such partnerships will also result in the empowerment of vulnerable groups in what concerns promoting positive action for the people belonging to vulnerable groups at community level, as well as gaining financial independence based on the income generating types of activities carried out in social economy entities.

By supporting this key area of intervention, it is expected that also in Romania there will be developed a sector where a lot of job opportunities will arise in the coming years, making thus an important contribution to the EU growth and jobs strategy.

Indicative operations

- Developing the necessary tools and mechanisms to fully implement the concept of social economy;
- Promoting employability and adaptability of low skilled people, disabled people and people at risk of social exclusion in the social economy entities;
- Supporting partnerships between all the stakeholders involved in community development (trade unions, public institutions, employers' organisations, workers, non-governmental sector, enterprises, business environment, other associations etc.)
- Raising awareness, promotion of advice and information services and exchange of experience in the field of social economy;
- Developing adequate tools and methods for delivering social services; providing, developing and establishing flexible and alternative services to look after children and/or other dependent family members during the day;
- Developing training programmes for the professionals involved in the social services system (social workers, personal assistants, community nurses, family mediators, sanitary mediators, maternal assistants, care givers, staff from residential institutions).

3.2.6.2 Improving the access and participation for vulnerable groups on the labour market

People belonging to vulnerable groups face many difficulties in relation with their social integration, determined by a series of factors that can be found in several areas: education, employment, housing, health, access to public utilities etc. Therefore, it is not rare that people in this situation are in a state of poverty, marginalisation and discrimination as regards their access to education and on the labour market.

Facilitating access to education and employment for these groups, ensuring that they remain closely attached to the labour market and increasing their employability are essential to increasing participation and combating social exclusion. The activities that will be undertaken in this key area of intervention will aim at motivating people in getting integrated/re-integrated on the labour market, assisting them with effective job search, facilitating access to training and other active labour market measures, including aid to people with health problems to return to the work place, ensuring that work pays and removing unemployment, poverty and inactivity traps.

This key area of intervention is complementary to Priority Axis 1 which addresses the general education system and where also schools for children with special education needs shall benefit from the modernisation process. Under the present Priority Axis, however, the targets are all those marginal groups that cannot be included in the main policies, and who need special attention in a particular way. Disabled individuals, who have left the education system and still need accompanying measures or training, make the object of the operations that will be funded under this PA, as well.

The projects that will support these people will aim at providing education, other than the general education system or the "second chance" education, but a more personalised type of programmes, raising-awareness campaigns for Roma population. The interventions will also

support activities to remove barriers hindering access to education and jobs; will provide special counselling and guidance services, as well as social services for individuals at risk of social exclusion.

Indicative operations

- Developing specific programmes, including incentives for employers, on the (re)integration on the labour market for vulnerable groups, particularly for Roma population, disabled persons and youths over 18 years old who leave the child state protection system;
- Training programmes for development of the basic skills and qualifications for vulnerable groups;
- Accompanying measures to take up and maintain employment (support for dependent family members, assistance services and other associated activities that enable the individual to participate in the labour market);
- Special support for the development of new protected jobs in enterprises.

3.2.6.3 Promoting equal opportunities on the labour market

The new legislative framework adopted in Romania in the recent years provides for the equal treatment between women and men. However, the reality shows that in practice there are cases of women's discrimination on the labour market, in what concerns access to economic areas of activity that traditionally belong to men, remuneration gaps, access in occupying management positions or in politics etc. Women returning to work after a break to care for their families often experience direct discrimination and prejudice. Not only women returners but also women of child bearing age are often seen as high risk employees with many employers reluctant to invest in their training and career planning.

The operations funded under this key area of intervention shall aim at eliminating discrimination and discriminatory practices on multiple grounds including ethnic origin, disability or age. To this ending, the projects will support programmes and campaigns on raising-awareness as concerns women's rights, protection against sexual harassment, domestic violence, trafficking in human beings etc.

At the same time, the operations proposed will improve the employment opportunities of women through interventions on both the labour supply and the labour demand side. On the one hand, the employability of women will be improved, and on the other hand, new jobs will be created through the extension of care services. The activities developed under this key area of intervention will focus on promoting new opportunities on the labour market and supporting the principle of equal opportunities in employment and career, aiming thus at creating an inclusive labour market. Women are under-represented in many occupational areas and further research will identify barriers and result in action to open up new non-traditional areas of work. Support will also be available to modernise traditional working practices and employment conditions in order to achieve a balance between professional and family life.

There will also be taken into account possible relocations from industries (e.g. textile industry), which has so far absorbed a large share of women unemployed and the need to reorient and retrain women for other occupations. The operations will also support new forms of participation on the labour market, such as developing women's entrepreneurial spirit and skills; providing special programmes for women such as: work at home, flexible working time; equal access to the knowledge based economy; exchange of best practices, setting up of partnerships.

Indicative operations

- Training and retraining programmes to increase women skills and qualifications;
- Specific programmes addressed to women interested for advancing in career, including support for pre-start-up business;
- Raising awareness campaigns and exchange of good practices in schools and enterprises on non-stereotypes gender role, including campaigns for women, especially for those in rural areas and those belonging to groups with special needs;
- Supporting programmes focused on eliminating gender stereotypes in society especially by mass-media;
- Providing support and awareness campaigns on promoting health culture, fighting against trafficking of human beings, domestic violence etc.

3.2.6.4 Trans-national initiatives on inclusive labour market

Trans-national initiatives will be promoted mainly with a view to creating a more permissive, flexible and inclusive labour market. In fact trans-national co-operation is integrated in all other priorities.

Partnerships with EU partners who proved successful in integrating and attracting people in education and employment will be encouraged, benefiting thus from the dissemination of innovative initiatives, experience, results and best practices. Trans-national co-operation will cover a broad range of activities as: exchange of information and people between administrations, trainers, stakeholders in labour market and social policies, adaptation and transfer of experience from other countries, studies and assessments, joint actions.

Indicative operations

- Supporting trans-national initiatives and partnerships at European level aiming to develop human resources and create an inclusive labour market;
- Developing joint programmes for promoting employment;
- Developing new methods for combating discrimination and inequalities on the labour market;
- Setting-up partnerships for sharing experiences on adaptation of vocational training to new technologies;
- Promoting transfer of expertise on inclusion and employment of the long-term unemployed;
- Trans-national exchanges of experience and good practices for Managing Authority and Intermediate Bodies;
- Developing comparative trans-national studies.

3.2.7 Priority Axis 7: Technical Assistance**Objective**

The overall objective of this PA is: providing support for the SOP HRD implementation process and effective use of the Community financial input and national co-financing through:

- Performing and qualified MA and Intermediate Bodies;
- Strategic use of evaluation;
- Coherence between actions, providing compatibility of projects with the EU policies;
- Promotion of SOP HRD objectives and operations.

Rationale

One of the main conditions for managing the EU Structural Funds is to ensure an adequate administrative potential for managing the funds in line with the Community regulations. Technical Assistance is a tool to be used by the Managing Authority in order to enhance the quality and speed up the coherence of actions, as well as to ensure the best and the most effective use of funds to maximise the impact of the programme.

In order to ensure an effective management and administration of the programme, activities under this priority will include capacity building and facilitation, network development, servicing of the Monitoring Committee, provision of advice and guidance, monitoring progress, promotion and publicity, evaluation, the preparation of annual reports, partnership building, research, studies and the dissemination of best practice.

In addition, TA activities will include the ongoing and final evaluations as well as the preparation of studies and analyses related to the preparation for the programming period 2007 to 2013.

The technical assistance priority axis of the SOP HRD is complementary to the assistance included in the Technical Assistance Operational Programme (TAOP) 2007 - 2013, managed at the national level by the Ministry of Economy and Finance.

It is also in line with the provisions of Article 46 of the Council Regulation (EC) No 1083/2006 laying down general provisions on the ERDF, ESF and the CF, dedicated to Technical Assistance:

„At the initiative of the Member State, the Funds may finance the preparatory, management, monitoring, evaluation, information and control activities of operational programmes together with activities to reinforce the administrative capacity for implementing the Funds within the limit of 4% of the total amount allocated under the Convergence and Regional competitiveness and employment objectives”.

and with the provisions of Article 9 of the Regulation (EC) No 1081/2006 of the European Parliament and of the Council on the European Social Fund (ESF), regarding the Technical Assistance:

“The Commission shall promote in particular exchanges of experiences, awareness raising activities, seminars, networking and peer reviews serving to identify and disseminate good practices and encourage mutual learning, trans-national and interregional co-operation with the aim of enhancing the policy dimension and contribution of the ESF to the Community objectives in relation to employment and social inclusion”.

Key areas of intervention

- Support for SOP HRD implementation, overall management and evaluation;
- Support for SOP HRD promotion and communication.

Indicators

Indicator	Unit	Baseline	Baseline Year	Target (2015)	Source
Output					
Number of promotion campaigns (TV, radio, press)	No.	-	-	15	Programme Monitoring System
Annual average of website hits	No.	-	-	90,000	Website Counter
Number of published brochures and leaflets	No.	-	-	200	Programme Monitoring System
Number of studies, surveys	No.	-	-	20	Programme Monitoring System
Number of Monitoring Committee meetings	No.	-	-	18	Programme Monitoring System

3.2.7.5 Support for SOP HRD implementation, overall management and evaluation

The activities under this area of intervention will support the MA and IBs staff for a better implementation, monitoring, evaluation and control of the operations funded by ESF.

Indicative operations

- Drawing up reports, background studies and research relevant to the programme's implementation and for the preparation of the next programming exercise;
- Support the SOP HRD implementation (including project preparation and development), monitoring and control, evaluation (ex-ante, on-going, ex-post, strategic, thematic);
- Support to SOP HRD Monitoring Committee mainly for organisation and logistics;
- Training provided to the MA SOP HRD and IBs staff related to the specific activities;
- Expenditures on salaries of staff and experts involved in tasks connected to preparation, selection, appraisal, monitoring control and audit of the programme;
- Strengthening and improving of the technical resources and the equipment used by the staff involved in tasks connected with preparation, selection, appraisal, monitoring control and audit of the programme;
- Procurement, installation and maintenance of IT (other than SMIS) and office equipment required for the management and implementation of the programme;
- Support to MA SOP HRD and IBs for the integration and simplification of the systems.

3.2.7.6 Support for SOP HRD promotion and communication.

The proposed operations will aim at raising awareness on the ESF interventions in Romania, as well as promoting information and publicity on the ESF activities in supporting people in education and on the labour market.

Indicative operations

- Communication and information: elaboration of the Communication Plan, setting up a website, issuing and distributing information;
- Preparation and dissemination of promotional and educational material related to the SOP HRD, organising conferences, training, road-shows, workshops, in particular on "best practices", for the general public as well as for social partners, civil society and potential beneficiaries.

3.3 Coherence and compliance with Community and national policies

3.3.1. Community policies

The SOPHRD was elaborated taking into account the Community provisions in the area and the compliance with guidelines and principles comprised in the following documents:

- The Integrated Guidelines for Growth and Jobs 2005-2008;
- The Community Strategic Guidelines on Cohesion 2007–2013;
- The European Employment Strategy;
- The Action Plan: The European Agenda for Entrepreneurship;
- Education and Training 2010 Work Programme;
- European Youth Pact;
- The European Strategy for Sustainable Development 2005–2010;
- The Strategic Framework on Equal Opportunities.

Thus, the SOP HRD objectives support the common objectives fulfilment at European level, concerning the provisions of an increased participation on the labour market of a high qualified and adaptable work force. In Romania, the achievement of cohesion policy objectives supposes to increase the human capital investment, focus on the education system improvement and his adaptability to the labour market demands, **to promote life long learning**, to improve the employees and enterprises adaptability, to ensure the necessary qualifications and knowledge for integration and mobility on the labour market, supporting and facilitating the economic evolutions.

Full employment represents another strategic objective for Romania, as an important generating instrument of the economic progress and social solidarity promotion. Also, the SOP HRD aims to promote and develop all forms of social economy as a means to ensure the **social inclusion** of persons belonging to vulnerable groups.

SOPHRD also takes into consideration the priorities and horizontal themes envisaged by the Roma Decade Action Plan and the priorities stated by the National Strategic Report concerning Social Protection and Social Inclusion.

Equal opportunities and non-discrimination

Promoting equal opportunities between women and men is an assumed objective also within the National Strategic Reference Framework. The diminishing of structural inequalities between women and men will allow releasing the women employment potential and will contribute to social cohesion and to viability of social protection system. The development of an “equal opportunities” culture by promoting common actions with direct involving of all social actors from public and private sectors, including civil society, will ensure the implementation framework of equal opportunities policy as a horizontal priority.

Increasing the women’s participation on the labour market, encouraging women’s employment in main male occupied position, promoting the working part-time programme, the women access to management positions, ensuring the reconciliation between work and private life of men and women will lead to the diminishing of disparities between men and women, also in terms of salary levels.

All of these will be supported by actions regarding the prevention and enforcement of all gender discrimination, work place sexual harassment, domestic and society violence against women, traffic and sexual exploitation.

By implementing strategic priorities in the human resources development field, equal opportunities will be promoted also for other vulnerable groups on the labour market: disabled persons, young people, Roma minority, older job seekers.

Thus, there will be promoted the social protection and the social inclusion by actions for fighting against discrimination, promotion the basic rights and integration in the society of vulnerable groups that are facing the risk of social marginalisation. In order to supporting this objective, SOP HRD will adopt an integrated perspective of equal opportunities (Gender mainstreaming) by promoting mechanisms and procedures which take into account this dimension in the selection, monitoring, control and evaluation projects, for removing barriers to the ESF access, determined by discrimination by gender, race, religion, sexual orientation, ethnic minority, disabilities criteria.

Sustainable development

Achievement of the SOP HRD objectives will make a major contribution to the promotion of a competitive, efficient and knowledge based economy, the aim being a better standard of living and quality of life.

Sustainable development is the recognition that economic, social and environmental goals cannot be pursued independently. Focussing activity and investment in just one area can lead to a negative impact on the others. Neither is sustainable development just about the environment.

To make development sustainable planning to meet specific needs must also take into account the economic, social and environmental impact of proposed activity.

All stakeholders in the programme should address sustainable development by assessing how they can deliver each of the following:

- Provide opportunities to allow everyone to fulfil their potential:
 - Take positive action to tackle socially excluded people;
 - Widen participation in education and training;
 - Take positive action to remove social, economic and cultural barriers preventing or hindering labour market participation;
 - Improving access to work and employment opportunities;
 - Actively encourage self employment;
 - Foster local development and community self help initiatives.
- Activities that make a positive contribution to protecting and enhancing the environment:
 - Positive action to reduce travel;
 - Waste reduction and recycling;
 - Energy conservation;
 - Inclusion in all projects of sustainable development awareness and where appropriate and possible specific training;
 - Delivery of environmentally focused projects.
- Provide opportunities to deliver skills that are needed now as well as those that will meet future needs:
 - Training in new technological skill areas;
 - Improving management skills to improve efficiency;
 - Training to manage change effectively;

- Environmental management training;
- Training to meet the skills needs of emerging industries and the growing green sector.

Taking into consideration the importance of the subject in matter the following indicators will be measured in terms of sustainable development, quality of life and overall protection of the environment during the SOP implementation:

1. Rate of projects and activities with one or more environmental awareness raising components⁵⁰ (target 2015 - 70%)
2. Rate of people trained in environmental skills and management, achieving a qualification, moving into employment in the environmental sector, setting up a business or becoming self employed in the environmental sector (target 2015 - 60%)

The environmental partners (environment authorities and NGOs) will be supported to contribute to the establishment of monitoring indicators in order to better monitor and evaluate the programme's influence on the environment and in checking that environment legislation and policy is correctly applied.

Competition Policy and State Aid

This Operational Programme has been developed having regard to the Community rules on State aid. The provisions of Articles 87 and 88 of the Treaty in relation to state aid rules will be fully respected. Any public support under this programme must comply with the procedural and material State aid rules applicable at the point in time when the public support is granted.

Acting according to its competence set out in the national legislation, as the national State aid authority⁵¹, the Competition Council has provided support to the SOP HRD Managing Authority in respect of State aid applicable rules and it is providing on-going operational advice and guidance, including the process of drafting normative or administrative acts by which state aid measures are instituted.

The Competition Council, acting as the Contact Point as regards State aid, between the European Commission on one side and Romanian authorities, State aid's grantors and beneficiaries on the other side, shall ensure the strict observance of the notification requirements. With regard to the block exemption regulations all information required by the relevant regulations will be provided.

Notifications of state aid measures, respectively information on state aid measures subject to block exemptions, are submitted for consultative opinion to the Competition Council. Subsequently, the Competition Council will submit these notifications/information to the European Commission, through Romania's Permanent Representation to the European Union. Authorities, grantors and state aid beneficiaries are obliged to provide to the Competition Council all the required information, in order to be sent to the European Commission. For those operations, where the public financing constitutes aid but does not fall under the above mentioned categories (e.g. "de minimis aid"), the relevant authorities will ensure compliance with the state aid regulations and procedures.

⁵⁰ An environmental raising component might include: a specific education and training module, awareness raising for project workers and participants, development and promotion of an environmental policy, provision of practical advice and information.

⁵¹ Law no. 21/1996 on Competition, republished and the Government Emergency Ordinance no. 117/2006 on the national procedures in the field of State Aid.

Within the programming period, the schemes designed by the granting authorities and / or ad hoc aid will be submitted to the Commission, whenever the EC rules request an *ex-ante* approval from the Commission. Specific obligations with regard to individual notification of aid granted under aid schemes will be respected. The Competition Council cooperates with the authorities, other state aid grantors and beneficiaries and supports them towards an adequate implementation of the *acquis communautaire*.

Managing Authorities will have the full responsibility to ensure compliance with State Aid rules in the context of Structural and Cohesion Funds. The actual implementation will be the responsibility of the Managing Authority. Questions demanded of applicants, the guidance given, as well as the provisions of the financing agreement will ensure that the applicants understand the limitations on assistance given and provide sufficient information to highlight any potential problems and corresponding obligations. Procedures will ensure that compliance is checked during claim checks and on the spot checks during verification and certification.

The SOP HRD Annual Implementation Reports will detail the measures undertaken in order to ensure the compliance of all operations with State Aid rules with respect to the provisions of block exemptions (referring to: small and medium-sized enterprises, employment, training, Services of General Economic Interest and transparent regional investment state aid), “de minimis aid” and other types of state aid under notification obligation (such as: research, development and innovation state aid, regional state aid, risk capital, environmental state aid etc.) In addition, any information required by the Commission and by the World Trade Organization regarding state aid schemes, individual state aids or “de minimis aid” shall be provided according to the applicable rules.

Public procurement

The procurement of all contracts financed through the Structural and Cohesion Funds and corresponding national co-financing shall be done in compliance with EU legislation and primary and secondary national legislation implementing the EU provisions on public procurement.

In order to ensure coherence with EU procurement policies, the Romanian authorities transposed the Directives No 17/2004/EC and No 18/2004/EC, by adopting the Law No 337/2006 for approving the Emergency Government Ordinance No 34/2006 on awarding of the public procurement contracts, public works concession contracts and services concession contracts. The secondary legislation was also adopted. This legislation also takes into account the provisions of the Commission interpretative Communication on concessions under Community law of 29 April 2000 and the Commission interpretative Communication on the Community law applicable to contracts awards fully or not fully subject to the provisions of the public procurement directives of 1 August 2006.

To enforce the legal provisions, the National Authority for Regulating and Monitoring Public Procurement (NARMPP) was set up. This body has the role to develop public procurement strategies, ensure coherence with Community *acquis*, ensure conformity in the application of legislation, fulfil EU Directive obligations, monitor, analyse and evaluate the methods used for awarding public contracts, as well as advice and train personnel involved in procurement activities. The NARMPP has set up the framework for Romanian national procurement methodologies and is providing advice and support. All public procurement contracts will be awarded in compliance with the new harmonised national legislation. The principles applied

in contracting are: non-discrimination, equal treatment, mutual recognition, transparency, proportionality, efficiency of used funds and accountability.

The general procedures for concluding public procurement contracts are the open and the restricted tender. Only as exceptions, the competitive dialogue, the direct negotiation or offer request, the framework agreement, the electronic auction and the dynamic purchasing system are foreseen by the law. The General Inspectorate for Communication and Information Technology is the operator of the electronic system for public procurement (ESPP). The contracts are published in the ESPP, in the National media and, where the relevant thresholds under Community Directives are applicable, in the Official Journal of the European Communities.

The eligibility and selection criteria make reference to the personal situation, the ability to exercise the professional activity, the economic and financial situation, the technical and/or professional capacity, quality assurance and environmental standards. The awarding criteria are: the most economically profitable offer or, exclusively, the lowest price.

The NARMPP provides training, courses and seminars for the main purchasers from central and local level, including institutions involved in the management of the SCF and potential beneficiaries.

The ex-ante control system in the public procurement field has become functional through the Emergency Government Ordinance no 30/2006 and the Government Decision no 942/2006 for approving the methodological norms for EGO no 30/2006. In this respect, the Unit for Coordination and Verification of Public Procurement (UCVPP) within the Ministry of Economy and Finance has been appointed as the body responsible for ensuring ex-ante verification of public procurement procedures, including those carried out under the Structural and Cohesion Funds programmes. UCVPP works together with the NARMPP, the Managing Authorities, and with any other public institution in the field of public procurement.

In order to improve the quality of the public procurement system and to ensure the compliance with the national legislation in the field, the Ministry of Economy and Finance, through its specialised structures at central and territorial level, verifies the process of contract awarding based on risk analysis and on a selective basis. For performing the task of verification, UCVPP shall appoint observers during all stages of the public procurement procedure. The observers will issue activity reports and if they detect inconsistencies during the procedure they will give a consultative opinion. The opinion will be sent to the NARMPP as well as to the authority hierarchically higher to the contracting authority. In case of projects financed through Structural and Cohesion funds, the opinion and the activity reports are sent also to the competent Managing Authority.

The contracting authority has the responsibility for the decisions made during the process of awarding public procurement contracts. The decisions made by the contracting authority are sent to the NARMPP and UCVPP.

This established system on the ex-ante verification procedure, as part of the entire management system of the SCF, is ensuring the efficiency and effectiveness of the use of the Funds by guaranteeing the compliance of the public procurement procedure with the national legislation and with the EU directives.

3.3.2. National policies

SOP HRD was elaborated taking into account the development objectives established at national level by the programming documents and the action plans in the human resources development field:

- Joint Assessment Paper on Evaluation of Employment Policies (JAP 2006);
- National Action Plan for Employment 2004-2005;
- Joint Inclusion Memorandum on Social Inclusion (JIM 2006);
- National Strategy on Employment 2005-2010;
- Pre-accession Economic Programme 2005;
- Strategy for Continuous Vocational Training on short and medium term 2005–2010;
- National Strategy for developing social services 2005;
- National Strategy concerning the prevention and fight against domestic violence phenomena 2005;
- National Strategy on social inclusion of young over 18 leaving the State Child Protection System 2006-2008;
- National Strategy for developing the social assistance system for elderly persons 2005 – 2008;
- Government Strategy for improving Roma situation 2001;
- National Strategy for protection, integration and social inclusion of disabled persons in 2006-2013 period “Equal opportunities for disabled persons – towards a society without discrimination“;
- National Strategy for Equal Opportunities between Women and Men;
- Strategy for Pre-university Education Development 2001-2010;
- Strategy for decentralisation of education 2005;
- Strategic Guidelines for Education and Research 2006-2008.

In the general framework of promoting economic and social cohesion, the achievement of the SOP HRD strategy objectives will be carried out through operations undertaken in the key areas of intervention identified within the 7 priority axes.

3.4 Complementarity of the SOP HRD with other Operational Programmes and with operations financed under the EAFRD and EFF

Complementarity with the SOP Increase of Economic Competitiveness

The increase in the enterprises number on the labour market may be a direct effect of a promoting entrepreneurial training policy, supporting the consultancy and assistance services and supporting self employment by business start up. SOP HRD will support the SME's development by promoting entrepreneurial training and managerial competences development and also by developing consultancy and assistance services for business start up. Therewith, will be promoted training programme for the ICT using in order to support the enterprises to adapt to economic development demands of a competitive market. Complementarities between SOP HRD and SOP Increase of Economic Competitiveness can be identified in case of several domains as follows:

- *Entrepreneurship development*

SOP HRD shall promote educational offers in schools as well as school programmes on entrepreneurship, with a view to instil in students the entrepreneurial spirit, skills and abilities (PA1, KAI 1). At the same time, SOP HRD shall support the individuals by ensuring the necessary training in the field of entrepreneurship for the people willing to start a business (PA3, KAI 1). Under this area of intervention, SOP HRD shall also ensure the training of management levels and executive staff with a view to improve companies' management and their efficient action on the market. All of these will complement the operations proposed under SOP IEC PA1 "An innovative productive and eco-efficient system", KAI 3 "Promoting entrepreneurial culture" which shall support the entrepreneurs to develop business incubators, shall provide consulting support, as well as support for enterprises' integration in supplier chains and clusters.

- *Research, Innovation and Development*

SOP HRD Priority Axis 1 "Education and training in support for growth and development of knowledge based society", KAI 2 "Quality in higher education" will support networking of universities, research institutes and enterprises for developing university education, and ensuring training of researchers. These operations are complementary to the operations promoted under PA 2 of SOP IEC "Research, Technological Development and Innovation for Competitiveness", KAI 1 "R&D partnerships between universities/research institutes and enterprises for generating results directly applicable in economy". Moreover, PA 2 of SOP IEC, Key Area of Intervention 3 "RDI support for enterprises (with a special focus on SMEs)" is complementary to the ESF activities promoted under SOP HRD PA 1, Key Area of Intervention 5 "Doctoral and post-doctoral programmes in support of research", as regards supporting the spin outs and spin offs operations. The research conducted during the doctoral and post-doctoral programmes shall stimulate technology transfer as well as the creation and reinforcement of high-tech firms and the development of poles of excellence.

- *Information and Communication Technologies*

Investments for internet connection in schools will be financed under SOP IEC PA 3 "ICT for private and public sectors", Key Area of Intervention "Supporting the ITC use". This type of interventions will provide pre-requisites for increasing the use of ICT in education and initial training and the support for the development and diversification of forms of delivery of education and initial VET offer, including e.g. extending ICT networks in schools. These operations shall be complemented by the actions developed under the PA 1 of SOP HRD, Key Area of Intervention 1 "Access to quality education and initial VET" for increasing the ICT in education and for increasing access and the quality of education by the increased use of ICT

in education and initial VET. The training programs for teachers and trainers, co-financed under SOP HRD, PA1, KAI3, will include a compulsory ICT module aiming at developing their digital competences and ability to use ICT in their current teaching activities in support for developing information society in Romania. These approaches of the SOP HRD under PA1, KAI 3 will provide grounds for complementing actions undertaken under SOP IEC, Key Areas of Intervention “Supporting the ICT use”.

Under the same PA of SOP IEC, KAI “Developing and increasing the efficiency of electronic public services”, actions will also support the implementing of e-learning solutions. The provisions of broadband connection for schools and development of e-learning solutions under the SOP IEC will complement the actions developed under the SOP HRD, Priority Axis 1 for improving the access to and the quality of education and initial VET.

Complementarity with the Regional Operational Programme

Complementarities between SOP HRD and ROP may be identified in case of actions undertaken under SOP HRD Priority Axis 1 “Education and training in support for growth and development of knowledge based society” and under ROP Priority Axis 3 “Improvement of social infrastructure”, as follows:

The investments for developing the necessary physical infrastructure in the initial and continuous education and vocational training system for creating the conditions for the development of human resources will be mainly financed under the activities provided in the ROP, under the Priority Axis 3 “Improvement of social infrastructure”, Key Area of Intervention “Rehabilitation, modernisation, development and equipping of pre-university education and continuous vocational training infrastructure”. These actions will create proper conditions for learning and will support the aim of equal access to quality education for all pursued in actions undertaken under SOP HRD.

Actions undertaken under ROP will target: development, rehabilitation and consolidation of school basic infrastructure and provision of basic endowments and equipment (including ICT equipment); development of educational campuses (which integrate, within the same area, all activities of the educational process (teaching, practice, social activities, recreational activities etc.). Campuses can be used not only for initial education, but also for continuous education. These campuses complement the actions envisaged for HRD in the SOP HRD by creating infrastructure for the education and training activities. Some of the components of the campus (e.g. the school and the apprenticeship facilities) may be used not only for initial education and training, but also for life long learning activities/adult education.

Concerning the necessary investment in infrastructure for human resources development in education, employment, health and social inclusion, this will be financed by activities foreseen in the ROP (and NRDP) regarding the investments in infrastructure related to social services.

SOP HRD will finance the investment for equipment and other technical installations, under flexibility rule, under condition that these will be needful for the operation achievement.

Complementarity with the SOP Transport

There are clear demarcation lines between actions financed by SOP HRD and SOP Transport. The complementarity between these operational programmes will be also ensured through development of CVT offers in the constructions sector at the level of SOP HRD (PA2 “Linking life long learning with labour market”, KAI “Access and participation in CVT”),

providing in this way the adequate trained labour force needed for the implementation of the SOP Transport.

Complementarity with the SOP Environment

The complementarity with the SOP Environment is covered by PA1 activities (“Education and training in support for growth and development of knowledge based society”), respectively through environment programmes in education that will be part of the curricula. Specific actions related to environment field will be addressed to train the teaching staff.

Also, within the PA2 “Linking life long learning with labour market”, KAI “Access and participation in CVT”, SOP HRD shall support cross-sector activities in the field of environmental training.

Complementarily, the PA3 “Increasing adaptability of workers and enterprises” includes specific training programmes for enterprises in the field of sustainable development, especially in the environment protection.

Complementarity with OP Administrative Capacity Development

As regards the complementarity with OP ACD, SOP HRD will not finance the vocational training actions having as a target group the staff of the authorities and public bodies at central and local level, except for the staff of the National Agency for Employment. Also, SOP HRD will not finance studies on the analysis and development of the administrative capacity in Romania.

The decentralization in education is a common priority identified in both OPs. To this end, under SOP HRD, PA 1, interventions will consist of assistance and training for the school management/administration and decision makers, while interventions under OP ACD, PA 2, will address the local public administration staff with responsibilities in the field of education (including the representative of the local authorities in the school boards). This approach, will address the specific needs of both target groups in order to efficiently and effectively put into practice the newly decentralised competences and training on the public policy cycle in this field.

Similarly, health and social services are common priorities in both OPs. Under OP ACD, health and social services are identified as priority sectors for decentralization, thus, under PA2, support for training and retraining will target the local public administration and decision makers in order to effectively implement decentralization and to improve the management of these systems. Under SOP HRD, PA 2, support for the training and retraining will address the professionals in health and social services, in order to improve their competences and skills aiming at improving the quality of the services delivered.

Complementarity with OP Technical Assistance

Within the Technical assistance Priority Axis will be implemented training actions for MA SOP HRD and IB personnel and actions for the communication and promotion of the SOP HRD, while the OP TA will draw up a more comprehensive communication plan that will include publicity actions for the Structural Investments as a global package. Furthermore, the training activities within the OP TA will cover a wider range of themes addressed for all the MA and IB. Moreover, SOP HRD operations are complementary to the activities promoted by OP TA as regards the development and implementation of SMIS system.

Complementarity with the National Rural Development Programme

The National Rural Development Programme includes activities regarding the development of the human resources and therefore it complements the SOP HRD. The delimitation between SOP HRD and NRDP is based on the type of intervention and not on territorial base.

As regards *the initial education and vocational training*, SOP HRD PA 1 “Education and training in support for growth and development of knowledge based society” will provide initial training programs in agriculture through specialised schools and high schools, finalised with a certification in this field.

The *continuous vocational training* for the persons in agriculture, subsistence and semi-subsistence agriculture will be performed under SOP HRD either within PA 2 “Linking lifelong learning and labour market” or PA 5 “Promoting active employment measures”. For those persons employed in agriculture and subsistence agriculture, SOP HRD PA 2 will finance the vocational training only for full qualification achievement (including requalification), as for the rest of sectors. Guidance, counselling and training in the entrepreneurial field and in non-agricultural fields will be also promoted under SOP HRD PA 5. NRDP under PA 1 “Improve the competitiveness of the agricultural and forestry sectors” will provide only short term training programs (basic training and specialisation) to upgrade the skills of workers employed in agriculture and forestry. A notification of participation will be issued to these trainees.

As regards encouraging *active ageing*, SOP HRD will support the active ageing measures aiming at increasing the employment rate. NRDP envisage early retirement in order to transfer the exploitations from the old farmers to the young farmers in exchange of compensatory payments. Thus, the increase in agriculture competitiveness shall be pursued by stimulating the transformation of rural households in family agriculture farms of a commercial character, as well as the growth of the middle class in the rural area by promoting the young farmers and the coagulation of the exploitations.

As regards promotion of *social inclusion*, NRDP will support measures for rehabilitation and building of basic infrastructure (roads, water adduction, water running systems), on limited scale and new investments in infrastructure related to social services in rural areas. These measures complement the operations promoting social inclusion that will be funded under SOP HRD, thus making more accessible the implementation of social inclusion projects in remote rural areas.

Complementarity with the National Strategic Plan for Fisheries

The National Strategic Plan for Fisheries (NSPF) envisages also operations regarding the development of human resources, mainly on training activities. The NSPF supports vocational training of workers in fisheries sector (fishing, aquaculture, processing) while the reconversion of fishery workers to other occupations in the economy (industry, services, constructions, tourism) or to business start up will be supported under SOP HRD.

4. FINANCIAL PLAN

The financial plan of SOP HRD has been elaborated in correlation with the financial plan of the Romanian National Strategic Reference Framework 2007-2013. The SOP HRD will be financed from European Social Fund. The ESF allocation for SOP HRD is 3,476 million Euro, representing 85% of the total value of the Programme. The National public counterpart is estimated at 613 million Euro. The Priority Axes envisaged for the development of human resources in Romania are supported by the financial allocations proposed, which indicate the importance given to each of the three main ESF interventions in Romania's SOP HRD:

1. **Promoting lifelong learning and the adaptability of labour force and enterprises** (PA 2 and 3), with a weight in the financial allocation of 38.37%;
2. **Promoting active employment measures** for the inactive population, especially for people living in subsistence agriculture, youths unemployed and long-term unemployed, as well as the **integration on the labour market** and the social inclusion of vulnerable groups (PA 4, 5 and 6): 34.21%;
3. **Education and training in support for growth and development of knowledge based society**, aiming at modernising the initial and continuous education and training systems, including supporting the university education and research (PA 1): 23.55%.

The financial allocations per Priority Axis took into consideration the seriousness of difficulties arising from the Analysis chapter and the SWOT analysis. The current figures and indicators were compared with the revised Lisbon targets in terms of knowledge based society, mainly participation to life-long learning, adaptability and promotion of scientific research in high added value economic sectors. In doing so, there were considered balanced allocations between reaching the Lisbon objectives and the Community Strategic Guidelines, proposing active employment measures and strengthened action for promoting social inclusion for people belonging to vulnerable groups. To this ending, there were proposed Priority Axes and Key Areas of Intervention that address these two complementary human resources development directions, and there were set up targets that should be achieved by the end of 2015.

Life-long learning and promoting adaptability of workers and enterprises represent the main objective of SOP HRD. CVT still remains a major challenge because participation in continuous training is at the lowest level in Europe: 1.1% in 2001, 1.1% in 2002, 1.3% in 2003, 1.5% in 2004, 1.6% in 2005, and enhancing access of employees to training is one of the challenges identified initially in JAP, in order to reach the Lisbon targets. The operations included with a view to ensure participation in vocational training or in catching up the missing basic education for certain categories of people make up a significant part of the programme. Participation of workers to training, mainly of those with low level of qualification, was identified as very low.

At the same time, promoting adaptability of the enterprises and employees to respond to the economic change, in the form of promoting the entrepreneurial spirit and innovation, the modern and flexible and more productive working arrangements stands as another intervention area supported by the SOP HRD. Inquiries among SMEs have outlined the need for the creation of new products/services, elaboration of strategies and company policies, new technological processes etc.

The promotion of active labour market measures for the unemployed and inactive people, including the people in rural areas occupied in subsistence agriculture, was included

among the other important measures for developing human resources in Romania. The employment rate of the working aged population in 2005, situates Romania at a 12.3 percent points distance compared to the Lisbon objectives established to be achieved in 2010 – general employment rate of 70%. As regards people in the rural areas they rate as the poorest (66.7% of the total poor population) and the poverty risk is much higher within this residence environment, due to occupation in subsistence activities and lack of relevant incomes.

At the same time, the modernisation of the Public Employment Service was seen as an important component in the spectre of labour market institutions called to make an important contribution to the efficient functioning of the labour market. The analysis outlined the need for developing staff competences, which should allow a compliance of the personnel skills with the requests of providing specialised services. While in 2004, the number of the civil servants within PES, which were trained was about 30% of the total number of personnel, in 2005 the percentage was only 25%.

Promoting the (re)integration of people at risk of social exclusion was considered equally important with a view to facilitate their return to and contribution on the labour market. As presented in the analysis, at the end of March 2005, 12,148 youths in state child protection system were aged between 14 and 17 years old, and 6,329 were over 18 years old. The figures on Roma population range from 535,140 people, as registered by the Census in 2002, and 2.5 million, as advanced by other sources. However broad is this array, the number of Roma ethnics who face difficulties in the integration on the labour market is high. Of the total active population (22.9%), 28.5% were unemployed, seeking for a job. About 41% of employed were working in agriculture (of which one third are women) and 31% are unskilled workers. Moreover, Roma population is confronted with major vocational training deficiencies. More than 70% of the Roma population has no qualification or they develop activities which do not require a formal vocational training.

The **modernisation of the initial and continuous education and training systems**, upgrading of skills of the teachers and trainers, as well as promoting higher education and research, through doctoral and post doctoral programmes, stands as the third large priority funded under the SOP HRD.

The data available for the school year 2005/2006 indicate a decrease of the number of enrolments by 4.46% as compared to school year 2000/2001. The most severe decrease is recorded in case of enrolments in primary school and gymnasium, respectively by 17.97% and 32.51% in the period 2000/2001 – 2005/2006. The analysis also showed that the low attractiveness of teaching career, the relative persisting rigidity in the professional routes of teachers contributes to the diminishment of the teaching personnel. As regards human resources in research, in 2004 in Romania the number of R&D employees per 100 employees was 0.46. This ratio is three times lower than the EU-15 (1.41 R&D employees/100 employees). The number of R&D employees, especially highly qualified specialists, recorded a constant decrease trend.

As afore-mentioned, the Current Situation Analysis and the SWOT Analysis delivered the information based on which the SOP HRD strategy was built. However, starting from the SOP HRD allocation and the many key areas of intervention identified, it had to be set up the targets that the programme will reach. In doing so, there were also assessed the types of operations that could address those specific weaknesses, both at system and individual level, and there were estimated the costs for each type of operation. One difficulty has been encountered in setting the targets related to the estimation of costs per each type of operation,

knowing that a certain objective, e.g. social inclusion of vulnerable groups, can be attained through various programmes, with various operations and thus different costs.

Table 38. Financing Plan of the SOP HRD giving the Annual Commitment of Each Fund in the Operational Programme

Operational programme reference (CCI number): 2007RO051PO001

Year by source for the programme, in EUR:

	Structural Funding (ESF)	Cohesion Fund	Total
	(1)	(2)	(3) = (1)+(2)
2007	212,973,834	-	212,973,834
2008	330,141,809	-	330,141,809
2009	452,584,803	-	452,584,803
2010	538,429,514	-	538,429,514
2011	595,593,519	-	595,593,519
2012	666,545,305	-	666,545,305
2013	679,876,212	-	679,876,212
Total 2007-2013	3,476,144,996	-	3,476,144,996

Note: All funding are for regions without transitional support

Table 39. Financial plan of the SOP HRD giving, for the whole programming period, the amount of the total financial allocation of each fund in the operational programme, the national counterpart and the rate of reimbursement by priority axis

Operational programme reference (CCI number): 2007RO051PO001

Priority axes by source of funding (in EUR)

	Community Funding (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a)+(b)	Co-financing rate* (f) = (a)/(e)	For information	
			National Public funding (c)	National private funding (d)			EIB contributions	Other funding
Priority Axis 1	797,803,989	193,984,825	193,984,825		991,788,814	80.44		10,257,476
Priority Axis 2	911,775,778	79,621,406	79,621,406		991,397,184	91.97		62,063,435
Priority Axis 3	450,189,271	69,467,140	69,467,140		519,656,411	86.63		59,228,611
Priority Axis 4	176,656,289	58,885,430	58,885,430		235,541,719	75.00		-
Priority Axis 5	476,402,823	66,953,221	66,953,221		543,356,044	87.68		15,454,661
Priority Axis 6	540,608,927	103,399,059	103,399,059		644,007,986	83.94		17,114,269
Priority Axis 7	122,707,919	40,902,637	40,902,637		163,610,556	75.00		-
Total	3,476,144,996	613,213,718	613,213,718		4,089,358,714	85.00		164,118,452

*The co-financing rate for all Priority Axes is calculated on a public cost basis.

Categorisation

SOP HRD contains the indicative breakdown of funds allocation by categories (Annex 3 of SOP HRD), in line with the provisions of Articles 37, par.1 (d) of the Council Regulation No 1083/2006 and according to the Commission Regulation No 1828/2006. The categorisation represents the ex-ante estimation on how the funds allocated under SOP HRD are intended to be spent according to the codes for the dimensions 1 (Priority Theme), 2 (Form of finance) and 3 (Territory type) of the Annex II of the Commission Regulation No 1828/2006. This information will help the Managing Authority to monitor the programme implementation by investment categories and to provide to the Commission uniform information on the programmed use of the Funds in the annual and final implementation report (ex-post information), according to Art. 67 of the Council Regulation No. 1083/2006.

According to the NSRF, Romania is committed to contributing to the achievement of Lisbon goals and regards the principle of Lisbon earmarking as an important tool for monitoring at national and Community level the actual performance in gearing Structural and Cohesion Funds towards Lisbon-related areas of intervention. The indicative level of Lisbon expenditure is estimated at about 93.27% of the total ESF allocation under SOP HRD, according to the categories listed in Annex IV of the Council Regulation No 1083/2006.

5. IMPLEMENTATION

5.1 Management

General framework for SOP HRD implementation

According to the General Regulation⁵², Art.59 (1), the following responsible authorities were designated for SOP HRD implementation:

Managing Authority SOP HRD – Ministry of Labour, Family and Equal Opportunities.

Intermediate Bodies SOP HRD

The Intermediate Bodies designated by the Managing Authority are:

- 8 Regional IBs under the MoLFEO subordination;
- National Agency for Employment;
- Ministry of Education, Research and Youth;
- National Centre for Technical and Vocational Education Development;
- 2 Intermediate Bodies to be designated based on a public procurement process in respect of the EU regulations and national legislation.

Managing Authority for SOP HRD

The Managing Authority is fully responsible for the management and implementation of the SOP HRD according to the principle of sound financial management and clear separation of functions.

The responsibilities and functions of the SOP HRD Managing Authority are set out in line with the Structural Funds Regulations and in particular, Council Regulation (EC) No. 1083/2006 and Commission Regulation (EC) No. 1828/2006.

The **Managing Authority for SOP HRD** is functioning at the level of directorate general consisting of four directorates and four units directly subordinated to the General Director. Some activities, such as internal audit and part of human resources are carried out by other Directorates within the Ministry of Labour, Family and Equal Opportunities, respectively Internal Audit Directorate and Human Resources Directorate.

The brief description of the directorates and units involved in ESF implementation is presented hereinafter.

The Programming and Evaluation Directorate comprises two units, namely:

- (a) *Strategic Planning Unit* in charge with the strategic planning, drawing up various programming documents, information and publicity activities and programme evaluation;
- (b) *SOP Monitoring and Reporting Compartment* in charge with the co-ordination of SOP monitoring process and the reporting activities. This Unit is providing the logistics and secretariat for the Monitoring Committee.

⁵² Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999

The **Contracting and Implementation Directorate** comprises also two units, namely:

- (a) *Tendering Unit* in charge with the public procurement activities for the technical assistance and trans-national projects;
- (b) *Projects Contracting and Monitoring Unit* in charge with the contracting, validation of expenditure and monitoring of the TA and trans-national projects financed from ESF. It also undertakes debt recovery activities for the above mentioned projects.

The **Financial Management Directorate** comprises four units, namely:

- (a) *Verification of Expenditure Unit*, in charge with the verification of expenditures at the level of SOP HRD and submission to the body responsible for payments of summary payment requests;
- (b) *Payment Unit*, in charge with co-financing related issues, i.e. national budget commitment, disbursement, spending and reporting;
- (c) *Accounting and Financial Reporting Unit*, in charge with the accounting for ESF operations and financial reporting;
- (d) *Internal Preventive Financial Control Unit*, in charge with verifying the legality, regularity and the observance of budgetary limits for the ESF related operations.

The **ESF Co-ordination Directorate** ensures the “Head of Mission” function and is in charge with the horizontal technical and financial co-ordination of ESF interventions. It also ensures the complementarity, as well as clear demarcation lines of ESF operations between the HRD and the ACD OPs and between ESF and other similar operations financed under various other OPs, both at national and regional level.

The **Ex-ante evaluation Unit** is a quality control unit that endorses some programming documents and contracts signed by the MA but also coordinating the risk management activities.

The **IT Unit** is providing the technical support for the proper design and implementation of IT systems.

The **Antifraud and Irregularities Unit** is responsible with the antifraud controls, management of irregularities and verification of expenditures on the spot based on sampling.

The **Projects Implementation Unit** ensures mainly the coordination of technical implementation of TA Priority Axis 7 and the trans-national projects developed under Priority Axis 6.

The **Audit Directorate** is overall responsible with the internal audit function within the MoLFEO, including the audit of the ESF structures and operations. To this end, a dedicated unit has been created within the Audit Directorate, responsible solely for auditing EU financed programmes. This Unit reports directly to the minister providing thereby the functional independence of the internal auditors.

The **Human Resources Directorate** is providing support to the Managing Authority mainly in the process of selecting and hiring people but also when evaluating/promoting staff.

The total number of positions allocated to the Managing Authority is 90.

The Managing Authority is responsible for the implementation of KAI 4 “Trans-national initiatives on inclusive labour market” under PA 6 “Promoting social inclusion” and the Priority Axis 7 – Technical Assistance.

SOP HRD Intermediate Bodies

The SOP HRD shall be implemented through 13 Intermediate Bodies, as follows:

Regional IBs

In order to have an effective and efficient approach of the regional disparities on adaptability of workers, entrepreneurship, access on the labour market and social inclusion, the **8 Regional IBs** shall be responsible for the implementation of Priority Axis 3 “Increasing adaptability of workers and enterprises”, Key Areas of Intervention 1 “Promoting entrepreneurial culture” and 2 “Training and support for enterprises and employees in order to promote adaptability”; Priority Axis 5 “Promoting active employment measures”, Key Area of Intervention 1 “Developing and implementing active employment measures” and Priority Axis 6 “Promoting social inclusion”, Key Areas of Intervention 2 “Improving the access and participation of vulnerable groups to the labour market” and 3 “Promoting equal opportunities on the labour market”.

The 8 Regional IBs correspond to the 8 development regions:

- Region 1 North-East
- Region 2 South-East
- Region 3 South Muntenia
- Region 4 South-West Oltenia
- Region 5 West
- Region 6 North-West
- Region 7 Centre
- Region 8 Bucharest-Ilfov

The regional IBs are structured into 3 main units:

- Implementation Unit
- Financial Management Unit
- Legal and administrative Unit

Under the direct co-ordination of the Executive Director of the IB there are the Audit Unit and the Anti-fraud and Irregularities Unit.

The 8 Regional IBs shall support the implementation of SOP HRD in those areas of competence that were developed during the implementation of Phare Programme 2004-2006. In this respect, the ESF type of projects that were implemented by the 8 Regional IBs in the field of human capital, as regards active labour market measures and the social inclusion of people belonging to vulnerable groups, represented a key asset in designating them as SOP HRD implementing structures and in delegating them specific tasks, as provided in Agreement for Delegation of Tasks.

National Agency for Employment

The Intermediate Body within NAE is responsible for the implementation of the Priority Axis “Modernisation of Public Employment Service”.

According to GD No.1700/2004 for the amendment and completion of the Status of National Agency for Employment (OJ No. 968/2004), IB SOP HRD is organised at directorate level, with the following specialised services for:

- Programming and Evaluation
- Monitoring and Financial Management
- Management of the IT system

The objectives pursued under Priority Axis 4 recommended NAE as the institution that will implement the operations relating to the modernisation of the Public Employment Service. NAE already initiated the process of upgrading the skills and competences of its employees, and it also set the milestones for improving the quality of services provided as well as the satisfaction rate among NAE clients: unemployed, employers and job-seekers. The ESF funded projects will be elaborated by NAE experts in providing active employment measures, who are best aware of the development needs in the field of modern, flexible and client-oriented quality services.

Ministry of Education, Research and Youth

For the implementation of SOP HRD one Intermediate Body was established within the Ministry of Education, Research and Youth and one Intermediate Body subordinated to the Ministry of Education, Research and Youth – the National Centre for Technical and Vocational Education Development.

The need to ensure a proper administrative capacity for the implementation of Priority Axis 1 and 2 required the setting up of an institutional architecture based on the most recommended and experienced structures in managing Community funds (pre-accession) in the field of education, training and continuous vocational training. From this perspective, the total administrative capacity shall increase almost three fold, ensuring by that an increased absorption rate. The operations regarding the modernisation of the overall education and training offers (including the CVT), the doctoral and post-doctoral programmes and the early school leaving shall be better addressed by the respective IBs designated within and under co-ordination of MoERY.

The **Intermediate Body SOP HRD** is responsible for the implementation of the whole Priority Axis 1 “Education and training in support of growth and development of the knowledge based society” and of the Key Area of Intervention 2 “Preventing and correcting early school leaving” of the Priority Axis 2 “Linking life long learning and labour market”.

The IB SOP HRD is composed of a central unit and 8 regional units. The central unit is organised as directorate. The organisational structure consists of 2 departments - *Programming and Evaluation* (including partnership development, information and publicity) and *Monitoring, Financial Management and Control*, and IT unit. There are 56 positions (7 positions/region) for the 8 regional units, each of them being structured as follows: 2 positions for information, publicity and partnership development (also the personnel is currently involved in programming activities), 2 positions for monitoring, 2 positions for financial management and one position for contracting and legal advice.

IB SOP HRD in the MoERY will implement the delegated priority axes and Key Areas of Intervention at national level. The national approach is justified by the fact that the modernisation of the educational offer, the development of human resources in initial and

continuous education, as well as supporting university education, are operations that will be implemented in nation-wide programmes, benefiting pupils, students, teachers and other human resources in education.

National Centre for Technical and Vocational Education Development shall be responsible for the implementation of Key Area of Intervention 1 "Transition from school to active life" and 3 "Access and participation in CVT" of the Priority Axis 2 "Linking life long learning and labour market.

NCTVED has been among the first Romanian institutions that implemented Phare Projects in CVT. Its many years of experience in managing EU pre-accession financial assistance and the highest absorption rate recorded, stood as a major determinant in selecting this structure as IB.

The designation of the IBs in charge with the implementation of Key Area of Intervention 2 "Promoting long term sustainability of rural areas in terms of human resources development and employment" (Priority Axis 5) and of the IB in charge with the implementation of Key Area of Intervention 3 "Development of partnerships and encouraging initiatives for social partners and civil society" (Priority Axis 3), and Key Area of Intervention 1 "Developing Social Economy" (Priority Axis 6), will be done in compliance with EU legislation and primary and secondary national legislation implementing the EU provisions on public procurement.

Control mechanism over Intermediate Bodies

The relation with the public bodies nominated as Intermediate Bodies, will be regulated through an Delegation of tasks Agreement covering areas such as object and duration, commitments and guarantees, rights and obligations of the parties, delegation of tasks and control mechanism, detailed responsibilities of the parties, modification/termination of the agreement and other relevant matters.

The Delegation of tasks Agreement will be signed before the start of OP implementation and it provides the following control system on the delegated tasks:

- (a) Control over the documents prepared by IBs, such as endorsement of the Guideline for Applicants or assessment of the quality of documents prepared during implementation (various reports, synthesis documents, etc.).
- (b) Regular verification over the fulfilment of the tasks delegated. Thus, Intermediate Bodies shall submit quarterly to the MA special reports on the fulfilment of the responsibilities delegated; MA may request any additional information or document to the IB. Based on these reports, other information/documents received and on-the-spot checks performed, the MA will regularly evaluate the capacity of IBs to undertake delegated tasks. Based on the evaluation results MA can withdraw the delegation of some or all tasks until the deficiencies found will be remediate. If the deficiencies will not be corrected over a set period of time, the MA can terminate the Delegation of tasks Agreement, ceasing thereby the relation with the respective IB.
- (c) As part of the verification, the MA will perform on-the-spot checks with dedicated objectives such as verifying the processes related to project selection, signature of Financing Agreements, verification of expenditures, accounting, management of irregularities, and others. For the purpose of verification of expenditures, the MA will use the sampling method.

- (d) Finally, for the Regional IBs, internal audit missions at the level of MoLFEO will be initiated, in line with the national legislation on public internal audit.

As regards the control over the two IBs to be contracted in compliance with EU legislation and primary and secondary national legislation implementing the EU provisions on public procurement, the control will rely on provision of the service contract including contract termination and penalties, where applicable.

5.2 Monitoring and Evaluation

Monitoring Committee

The Monitoring Committee shall be set up within three months of the decision approving the operational programme (according to the General Regulation). The Monitoring Committee of SOP HRD shall include the representatives of:

- Managing Authority for Sectoral Operational Programme Human Resources Development;
- Ministry of Economy and Finance:
 - Authority for the Coordination of Structural Instruments;
 - Managing Authority for Operational Programme Technical Assistance;
 - Certifying and Paying Authority;
- Intermediate Bodies for SOP HRD representatives;
- Ministry of Internal Affairs and Administrative Reform;
- Ministry of Agriculture and Rural Development;
- Ministry of Development, Public Works and Housing;
- National Authority for Protection of Children Rights;
- National Council for Adult Vocational Training;
- National Agency for Roma;
- National Agency for Equal Opportunities between Women and Men;
- Other partners from Central Institutions;
- Civil Society;
- Competition Council;
- Trade Unions representatives;
- Employers' organisations representatives;
- NGOs representatives.

A representative of the European Commission will attend the MC meetings, in an advisory capacity, at the invitation of the Chairperson, or at their own initiative.

The role of the MC will be to satisfy itself as to the effectiveness and quality of the implementation of the operational programme by carrying out the tasks set out in Article 65 of Council Regulation (EC) No. 1083/2006 and the arrangements for monitoring set out in Article 66.

The Monitoring Committee shall ensure the compliance with the national and Community legislation and will observe the accomplishment of SOP HRD objectives through a rational use of the allocated resources.

The Monitoring Committee has the following responsibilities:

- a) it shall approve within six months after the endorsement of the Programme, the criteria for selecting the projects financed through the SOP HRD; the selection criteria shall be revised in accordance with programming needs;
- b) it shall periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the Managing Authority;
- c) it shall examine the results of implementation, particularly achievement of the indicators set for each priority axis;
- d) it shall approve the annual and final reports regarding the programme implementation before they are sent to the Commission;
- e) it shall be informed of the annual control report and of any comments from the Commission on this report.
- f) it may propose to the managing authority any revision or examination of the operational programme likely to make possible the attainment of the Funds' objectives referred to in Article 3 of Council Regulation (EC) No. 1083/2006 or to improve its management, including its financial management;
- g) it shall consider and approve any proposal to amend the content of the Commission decision on the contribution from the Funds;
- h) to be informed about information, communication and publicity activities and agenda as in accordance with the requirements of the Commission Regulation No. 1828/2006.

The Monitoring Committee shall draw up its rules of organisation and working procedures, as well as the decision making procedure. The MA SOP HRD chairs the Monitoring Committee and ensures its Secretariat.

The annual implementation reports and the final report

According to the Article 67 of Council Regulation (EC) No. 1083/2006, the Managing Authority will submit an *Annual Implementation Report* to the European Commission, for the first time in 2008 and by 30th June each year. The report will be examined and approved by the SOP HRD Monitoring Committee before it is sent to the Commission.

The implementation reports must include the following information:

- the progress made in the SOP HRD implementation and its priority axes compared to the established indicators – the stage of the projects implementation;
- the financial implementation – the breakdown on each priority axis of the realised expenditures, their distribution on the national contribution and ESF contribution;
- the stages followed by MA SOP HRD and the Monitoring Committee in order to ensure the implementation quality and efficiency, especially:
 - the monitoring and evaluation measures, including the data collection arrangements;
 - a summary of all the difficulties met in the implementation and all the taken measures;
 - the manner of using the technical assistance;
 - the measures taken for the publicity achievement and the information provision regarding SOPHRD;
- a declaration regarding the observance of the Community regulations regarding the SOP HRD implementation.

A Final Report will be submitted to the Commission by 31 March 2017. The final report will cover all information of the entire implementation period from 2007 to 2015.

The annual examination of programmes

In line with Article 68 of Council Regulation (EC) No. 1083/2006, every year, when the annual implementation report is submitted, the European Commission will review the main outcomes of the previous year with the SOP HRD Managing Authority with a view to improving implementation. Any aspects of the operation of the management and control system raised in the annual control report may also be examined.

After this review, the European Commission may make comments to the SOP HRD Managing Authority and to the Romanian Government. The SOP HRD Managing Authority will inform the Monitoring Committee of these comments. The SOP HRD Managing Authority will inform the Commission of the action taken in response to these comments.

Monitoring and reporting system

Monitoring is an on-going process. The main goal of the monitoring system put in place by the MA is to monitor progress in terms of the efficiency and correctness of operations financed and to compare such progress with the pre-defined targets. At the same time, the system will facilitate the collection of information and data necessary to analyse which operations are progressing and whether corrective measures are required.

The SOP HRD monitoring system takes into account the needs of different user groups and different levels of the management structures. The potential users of information are the stakeholders who have their own areas of responsibilities and, therefore, their distinctive information needs, as follows:

- Beneficiaries,
- Intermediate bodies,
- Managing Authorities,
- Monitoring Committees,
- Government of Romania,
- European Commission,
- External evaluators,
- Wider public and NGOs.

The monitoring system is based on a regular examination of the context, resources (inputs), outputs and results of the programme and its interventions. It is composed of a mechanism of coherent information including progress review meetings and progress reports providing periodic summaries which incorporate key information from the physical and financial indicators. The purpose of the reports is to provide updates on achievements against indicators and milestones and they will be written in a standard format allowing comparison between reports over time.

The core piece of information to be provided in the reports is related to indicators capturing the progress of the interventions concerning the goals set in the programming phase. In this respect, a system of indicators for each OP has been developed under the coordination of ACIS. Adapted to the specific feature to the OP, the indicators system pursues the uniformity of the core data allowing information to be bottom-up aggregated at different levels of interventions (projects, key areas of intervention, priority axes, OP, NSRF), themes, sectors

etc. The system will provide detailed guiding elements for a common understanding of the stakeholders, such as a comprehensive list of monitoring and evaluation indicators, definition of each indicator, responsibilities, periodicity and ways of data collection and processing, as well as indicators tables to be generated by SMIS providing a clear picture of the interventions' context and progress. Whenever appropriate, the indicators will be broken down by different criteria (territorial, gender, target groups, size of the recipient etc.). The Annex XXIII: Data on participants in ESF operations of the Implementing Regulation No 1828/2006 will be observed.

The ACIS and the Managing Authority for SOP HRD will check periodically the reliability of the information collected and will coordinate an on-going process of improving the functioning of the monitoring system. Evaluations and quality check of the monitoring system concerning its coverage, balance, and manageability will be carried out. The individual indicators will be assessed in terms of their relevance, accuracy, availability and costs.

The Monitoring Committee will be consulted on the indicators system at an early stage of programme implementation as well as during the entire programming period in order to verify that:

- the indicator system as a whole has been set up properly, and
- the information is sufficient for its own work.

Although the monitoring system will be largely responsible for generating output data, some output, and most result data may require additional efforts (e.g. surveys, field work, collecting information from other organisations). On the other hand, official statistics generating context indicators will need to be supplemented with surveys, studies or other techniques of data collection and interpretation. The specific needs for complementary information and related planned activities will be included in the OP and NSRF Evaluation Plans that are described in Evaluation section of this document.

Evaluation of SOP HRD

Regulatory framework

Evaluation of Operational Programmes is an activity inseparable from the overall OP management and implementation arrangements, as a tool for assessing the relevance, efficiency, effectiveness of the financial assistance deployed, as well as the impact and sustainability of the results achieved.

The requirement to conduct systematic evaluation activities of the Operational Programmes and the general rules for those activities are provided in the Council Regulation (EC) No 1083/2006 of 11 July 2006, laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (Articles 37, 47 – 49).

In accordance with Articles 47-49 of the Council Regulation no 1083/2006, three main types of evaluations will be carried out for SOP HRD:

- *An ex-ante evaluation*
- *Ongoing evaluations* (during the period of implementation of the OP)
- *Ex-post evaluation.*

Ex-ante evaluation. The management of the ex-ante evaluation contract was ensured by the ACIS through the Evaluation Central Unit in close co-operation with the Managing Authorities and other main stakeholders.

Ongoing evaluations to be carried out during the period of implementation of the SOP HRD shall be of three types – *a) interim, b) ad hoc* and *c) with a cross-cutting theme*, as follows:

The Interim Evaluation will aim at improving the quality, effectiveness and consistency of the assistance and the strategy and implementation of operational programmes. The interim evaluations will support the OP management process by analysing problems which occur during the implementation and propose specific solutions to improve the operation of the system.

There will be 2 interim evaluations of the OP: one evaluation to be carried out at the end of 2009 and one in 2012. The first interim evaluation will examine progress to date in implementing the OP, looking particularly at issues such as management of the OP, whereas the second interim evaluation will focus more on priorities, looking towards the next programming period.

Ad-hoc evaluations will be carried out where programme monitoring reveals a significant departure from the goals initially set or where proposals are made for the revision of operational programmes. Ad-hoc evaluations can also address either implementation or management issues of an individual Priority Axis or Key Area of Intervention, or can be “thematic”. At the proposal of the Managing Authority, the Monitoring Committee will decide on the subjects and timing of the ad-hoc evaluations, based on the examination of the financial and physical data provided by the monitoring system. It is already envisaged to be carried on evaluations related to the access to life-long learning, to the effects of life-long learning to the labour market, to actions in subsistence agriculture and social inclusion.

Interim and ad hoc evaluations will be managed by the evaluation function of the Managing Authority and will be conducted externally, by independent evaluators.

Evaluations with a cross-cutting theme will be carried out where the evaluation is of a horizontal nature and completion of the evaluation demands involvement from more than one OP. These evaluations may examine the evolution of all or a group of OPs in relation to Community and national priorities. They may also examine particular management issues across all OPs. Evaluation with cross-cutting themes will be managed by Evaluation Central Unit of the ACIS and will be commissioned to external consultants.

Specific objectives, evaluation questions, tasks and expected results of interim, ad-hoc and cross-cutting evaluations will be defined separately for each evaluation to be conducted.

Apart from these evaluations, a permanent external evaluator will be contracted by the MA based on the public procurement rules to assist the Monitoring Committee in its work, to ensure that the ongoing monitoring of the programmes is satisfactory and to provide an independent source of information, reflective analysis and advice. The primary role of the external evaluator is to provide an expert resource base to the Monitoring Committee, the Managing Authority and its intermediary bodies as concerns aspects of monitoring and implementation relating to economic, operational, legal and procedural considerations. Any potential conflict of interest will be avoided.

The ex-post evaluation shall be carried out by the Commission, in close co-operation with the Member State and the Managing Authorities, according to the Art. 49 (3) of the Council Regulation no 1083/2006.

The Commission may also carry out **strategic evaluations**, as well as evaluations linked to the monitoring of OP, in accordance with the Art. 49 (2) of the Council Regulation no. 1083/2006.

Institutional framework for evaluation

The national institutional framework for evaluation comprises 2 levels:

- an overall co-ordination level, ensured by the **Evaluation Central Unit** established within the ACIS structure, Ministry of Economy and Finance
- a functional level, composed of the **evaluation units established within each MA**.

The **co-ordination role** of the Evaluation Central Unit can be summarised as follows:

- (i) Carrying out cross-cutting evaluations;
- (ii) Providing capacity building activities to support and develop the operational capacity of the evaluation units established in the OP Managing Authorities.
- (iii) Providing overall quality assurance activities to ensure the quality of all evaluations.

The evaluation unit established within the SOP HRD Managing Authority will be responsible for interim evaluations and ad hoc evaluations.

The evaluation unit will act in co-operation with the Monitoring Committee and will interact on a constant basis with the Evaluation Central Unit.

Evaluation Plan

The MA evaluation unit will draft an Evaluation Plan, which will comprise the indicative evaluation activities it intends to carry out in the different phases of the programme implementation, collection of complementary data that is not delivered by the monitoring system, the indicative human and financial resources allocated for each evaluation activity, the actions aimed at capacity building, as well as the incumbent responsibilities. This planning shall be done in accordance with the Community Regulations on Structural Instruments; the methodological working papers on evaluation issued by the European Commission; the methodological working papers on evaluation issued by ACIS - Evaluation Central Unit. The SOP HRD Evaluation Plan shall be subject of the Monitoring Committee approval.

In addition, an Evaluation Plan at NSRF level will be drafted by the Evaluation Central Unit of ACIS. The NSRF Evaluation Plan will aim at providing information for the strategic decision making process and will plan evaluation activities at macro socio-economic level. Possible evaluation themes to be included in the NSRF Evaluation Plan may be linked to the NSRF priorities (infrastructure, economic competitiveness, human resources development, administrative capacity and territorial dimension) or may concern the delivery system such as the horizontal ad-hoc external evaluation focused on implementation process across all the programmes, including the SOP HRD as well as on the external coherence of the programmes with national policies that will be commissioned by the ACIS in 2008.

Operating arrangements

Each OP will have a Steering Committee, which should convene for each evaluation exercise. A Strategic Evaluation Steering Committee will be established also at the level of NSRF for evaluations with cross-cutting themes. The steering committee will fulfil, as a minimum, the following tasks: set the terms of reference for individual evaluations, facilitate the evaluator's access to the information needed to perform his/her work; support the evaluation work, particularly from the methodological standpoint; ensure that the terms of reference are observed; exercise quality control in relation to the evaluation performed.

Under the co-ordination of the Evaluation Central Unit, a follow-up mechanism of the evaluation recommendations will be set-up in the Evaluation Procedures Manual to be applied by the SOP HRD Managing Authority.

As concerns the **availability for the public** of the evaluation results, at least the executive summary of the evaluation reports will be made available for public. The means of communication will be readily identifiable and accessible.

5.3 Financial management and control

The Ministry of Economy and Finance is designated to fulfil the role of **Certifying Authority** for all OPs, being responsible for drawing up and submitting to the Commission certified statements of expenditure and applications for payment in line with the provisions of Article 61 of the Council Regulation no 1083/2006. The responsible directorate within the MEF is the “Certifying and Paying Authority” (CPA) built up on the National Fund office, making use of the pre-accession experience. The above-mentioned responsibilities will be performed by the “Certification Unit” within the CPA.

Within the CPA, there are two separate units, “Certification Unit” and “Payment Unit”, each of them being under the coordination of distinct Deputy General Director.

The **competent body for receiving the ERDF, ESF and Cohesion Fund payments from the European Commission** in respect of all OPs is the Certifying and Paying Authority within the Ministry of Economy and Finance through the “Payment Unit”.

The **body responsible for making the payments to the Beneficiaries** is the Paying Unit within the Managing Authority for SOP HRD.

An associate body of the Romanian Court of Accounts has been designated as **Audit Authority** for all OPs, in line with the requirements of Article 59 of the Council Regulation 1083/2006. The Audit Authority is operationally independent of the Managing Authorities and the Certifying and Paying Authority.

Certifying and Paying Authority– shall be responsible in particular for:

- 1) Certification of expenditure, which means drawing up and submitting to the Commission certified statements of expenditure and payment applications in computerised form. Those functions are performed by the “Certification Unit”.

It is certifying that:

- the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;

- the stated expenditure complies with applicable Community and national rules and was incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme.

Within this purpose, the task of the Certifying Authority is to ensure that the received information on the procedures and verifications carried out in relation to expenditure and included in expenditure statements provides an adequate basis for certification, which entails:

- to verify the compliance of the claimed amounts with the SMIS database;
- to verify the correct calculation of the total amount of eligible expenditures;
- to take account of the results of all audits carried out by or under the responsibility of the Audit Authority/internal audit body or European Commission;
- to maintain accounting records in computerised form of expenditure declared to the Commission;
- to keep a debtor ledger.

2) Receiving payments from the Commission (responsibility of the “Payment Unit”)

- to receive from the European Commission the amounts from ERDF, ESF and CF, as pre-financing, intermediate and final payment;
- to draw up and submit annually to the EC the provisional forecast of likely applications for payments for the current financial year and for the subsequent one;
- to return to the EC non-eligible expenditures, recoveries as a result of an irregularity or the funds that were not used, including interest of late payment.

3) Making payments to the beneficiaries for SOP Environment and SOP Transport and transferring the EU Funds to the paying units within the ministries that are Managing Authorities for the other OPs (responsibility of the “Payment Unit”)

- to make payments to beneficiaries from the ERDF and CF and the co-financing amounts, for SOP Environment and SOP Transport;
- to transfer the funds from the ERDF and ESF to the paying units for the other OPs.

The *Paying Unit within the MoLFEO* has the following main responsibilities:

- to receive transfers of the Community contribution to the SOP HRD from the Certifying and Paying Authority;
- to make payments to the beneficiaries from the ESF and the co-financing amounts.

The Managing Authority of SOP HRD is responsible for managing and implementing its Programme efficiently, effectively and correctly in line with the provisions of Article 60 of the Council Regulation no 1083/2006. The Managing Authority will work closely with the designated Certifying and Paying Authority in fulfilling the responsibilities of financial management and control to ensure that:

- Money is used most effectively to achieve the objectives of each OP;
- Use of resources is publicly accountable to the EU and the Member State;
- Budgetary control is effective so that commitment is sustainable within each OP and financial planning profiles are adhered to;
- Contracting is within budget;
- Procurement of goods and services under projects financed:
 - takes place;
 - conforms to EU and Member State rules;
 - represents value for money;

- Financial statements sent to the European Commission and other bodies are correct, accurate and complete:
 - correct - funds are applied correctly;
 - accurately – free from errors;
 - complete – all relevant items have been included.
- Payments to Beneficiaries are made regularly and without undue delay or deductions;
- Co-financing resources are provided as planned;
- Payments are properly accounted for;
- Irregularities are notified in line with EU regulations;
- Any sums wrongly paid out are recovered swiftly and in full;
- Unused or recovered resources are re-committed within the respective OP;
- De-commitment is avoided – particularly in relation to the n+3/n+2 rule;
- Closure of each OP takes place smoothly and on time.

Before submitting the application for reimbursement, the Beneficiary verifies the accuracy, actuality and eligibility of expenditure according to the national legislation on internal control.

Within the purpose of expenditure certification to the European Commission, checks for SOP HRD are carried out on three levels:

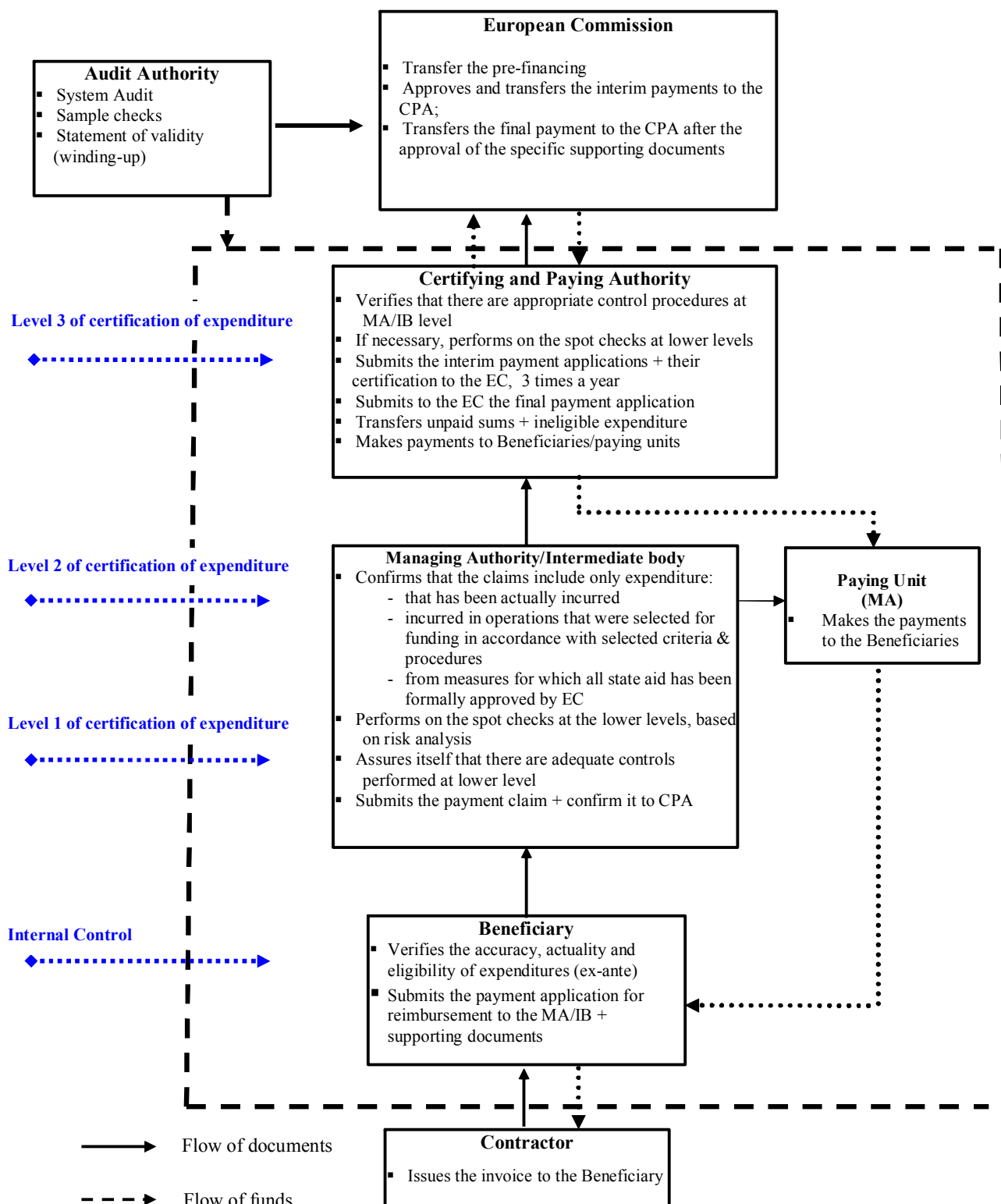
- 1) verification of expenditures at IB level;
- 2) verification of expenditures at MA level;
- 3) certification of expenditure at Certifying Authority level.

Verifications carried out at the IB level are delegated tasks from MA, based on its assessment regarding administrative capacity. The MA will remain responsible for the tasks delegated to the IB. The tasks performed in that sense will not duplicate checks carried out at IB level.

Regarding the payment process at the Ministry of Economy and Finance level, it was taken the decision to have two payment flows:

- a) direct payment for European Union financial contribution and co-financing amounts from the Certifying and Paying Authority to the beneficiaries, in the case of SOP Transport and SOP Environment,
- b) indirect payment, through the paying units that are established near the Managing Authorities, for the other Operational Programmes.

Financial flow of the SOP HRD



Internal Control System

The internal control system was set up within the SOP HRD Managing Authority, as well as within the Intermediate Bodies, according to the Government Ordinance 119/1999 republished, and Government Decision no. 793/2005 for the approval of the National Antifraud Strategy for protecting the financial interests of the EU in Romania.

The control policies and procedures cover two fields: the supervisory function (management control) and the preventive financial control.

The financial control function is ensured by the Internal Preventive Financial Control Unit (IPFC) organised within the Managing Authority on documents before these become legal commitments. Preventive internal control functions on the basis of the relevant national law – Law no. 84/2003⁵³ as well as Ministry of Economy and Finance and MoLFEO methodological norms, whilst internal audit is organised according to Law of Internal Public Audit no. 672/2002 and Minister of Finance Order 38/2003.

The systematic checking performed by the internal IPFC unit, on each operation submitted for verification, shall consider:

- **Legality**, which refers to the observance of all provisions, applicable and in force at the date of the operation;
- **Regularity**, which refers to the observance of all principles and procedural rules;
- **Compliance** with not exceeding the maximum amount of external granted funds as well as with the quota of budgetary allocation according to the law.

At the same time, the heads of different specialised compartments, which are preparing and submitting operations/documents for visa, are also responsible, at their levels of competence, for the **reality, regularity and legality** of the documents certified.

The whole activity of the IPFC Unit within MA SOP HRD is carried out by observing the legal framework established by the Ministry of Economy and Finance as being the governing institution in the field, for all the institutions/bodies within central and local administration managing public funds. In application of these regulations, institutions including the Ministry of Labour, Family and Equal Opportunities are developing their own norms, to be used for this specific activity.

The Internal Preventive Financial Control Unit within MA SOP HRD carries out verifications performed on the following categories of operations:

- contracts;

⁵³ National legislation on preventive financial control:

- Law no. 84/2003 modifying and completing the Governmental Ordinance no. 119/1999 for internal public audit and financial preventive control.
- Government Ordinance no. 119/1999 republished.
- Order of the Minister of Public Finance no. 522/2003 for approving General Methodological Norms for carry out financial preventive control, with further modifications and completions (further modified by the Minister's of Public Finance Order no. 912/2004)
- Order of the Minister of Labour, Social Solidarity and Family no. 575/2006 modifying the previous Order of the Minister of Labour Social Solidarity and Family no. 90/2005 and also the following specific legislation in force:
- Law no. 500/2002 regarding public finance, with further modifications.
- MoLSSF internal methodological norms no. 89/22.02.2005 for the application of the Minister's of Public Finance Order no.1792/2002 regarding the commitment, liquidation, ordainment and payment of expenditures made by public institutions, as well as organization, keeping evidence and reporting for the budgetary and legal commitments (further modified by the Order of the Minister of Labour, Social Solidarity and Family no. 574/2006).

- request for funds (request for funds to the Certifying and Paying Authority);
- payments (payment authorisations - for either pre-financing, interim or final payments, payment orders);
- recovery of funds (for different situations: when the signed contract is terminated, when the amount approved as eligible expenditure is inferior to the pre-financing payment effected, when an error or irregularity having financial impact has been identified).

Irregularities

As part of their management and control obligations Member States are required to report and monitor irregularities.

The legal basis is represented by Commission Regulation no. 1828/2006 setting out rules for the implementation of Council Regulation no 1083/2006 and of Regulation no 1080/2006, the Council Regulation no. 2988/1995 on the protection of the European Communities' financial interests and the Romanian Government Ordinance no. 79/2003 which settles the ways of control and recovery of sums resulted non-reimbursable EU financial assistance.

The objective of this section is to describe the identification and reporting of any suspected fraud or other irregularity. This section will also deal with the importance of the immediate implementation of corrective action (including sanctions and launching of civil or criminal proceedings) deemed necessary as a consequence of the investigation of an irregularity.

Irregularities involving loss of EU funds of less than 10,000 Euro are not required to be reported to the Commission under Commission Regulation (EC) No 1828/2006 unless the Commission expressly requests it.

Therefore, irregularities of over 10,000 Euro and all irregularities committed intentionally must be reported to the European Commission. These reports are accumulated and checked by the Certifying and Paying Authority and then are forwarded to the Fight Against Fraud Department (DLAF) for transmission to OLAF on a quarterly basis. The Certifying/Paying Authority receives the reports from the MAs and it must include any reports on irregularities within the Certifying/Paying Authority itself.

In order to allow a proper process of prevention, detection and reporting of irregularities, at the level of the MA and IB an irregularities officer is appointed. The irregularities officer appointed at the level of IBs prepares quarterly and ad-hoc reports and submits them to the MA. The irregularities officer appointed at the level of the MA prepares quarterly and ad-hoc reports and submits them to the Certifying and Paying Authority.

Any person involved in the implementation of the SOP HRD can report the suspected case of fraud to the irregularities officers of the Certifying and Paying Authority, MA, IB or to the Internal Audit Units of the Certifying and Paying Authority, MA or IB either formally or anonymously. The person reporting the suspected case will have no further involvement in the irregularity process for personal security reasons.

Suspected irregularities will be analysed and investigated by the competent services and the response will be sent according to the internal procedures of the competent authority and to the Romanian legal framework in force.

The irregularities officer takes action both from own initiative and on the complaints received. The irregularities officer carries out its activity based on the Irregularities Manual that will be prepared at the level of each structure involved (MA and IB).

Internal audit

Within all ministries involved in the implementation of the SOP HRD have been established Internal Audit Units that are independent from the structures performing the tasks of Managing Authorities (or Intermediate Bodies) and are directly subordinated to the head of the institutions concerned.

The methodological co-ordination of these Units is ensured by a special unit within the Ministry of Economy and Finance, namely the Central Harmonising Unit for Public Internal Audit (CHUPIA).

The attributions of Central Harmonising Unit for Public Internal Audit

- Developing and implementing uniform procedures and methodologies based on international standards agreed by the European Union, including internal audit manuals and audit trails;
- Developing risk management methodologies;
- Developing the Ethical Code of the internal auditor;
- Endorsing the methodological norms on PIA, specific to the different domains of activity in the field of public internal audit;
- Developing a reporting system for the results of all public internal audit activities and elaborating an annual report;
- Verifying whether norms, instructions, as well as the Ethical Code are respected by internal audit services in public entities; it may initiate the necessary corrective measures in co-operation with the Head of the respective public entity;
- Co-ordinating the system of recruiting and training in the field of public internal audit.

The tasks of the Public Internal Audit Unit

Public Internal Audit Units within the ministries that implement Structural Funds and Cohesion Funds, have specific audit manuals for the European Funds.

According to the law, the tasks of the Internal Audit Unit are the following:

- Performing internal audits activities in order to assess whether the financial management and control systems of the public entity are transparent and comply with the norms of lawfulness, regularity, cost-effectiveness, effectiveness and efficiency;
- Informing CHUPIA on the recommendations not followed - by the head of the audited public entity and of their consequences;
- Reporting periodically on the findings, conclusions and recommendations resulted from its audit activities;
- Preparing an annual overview of its activities in the annual report;
- Reporting immediately to the Head of the public entity and to the inspection unit in case of detecting any serious irregularities or fraud cases.

Audit Authority

Romania has established an **Audit Authority** for all Operational Programmes through Law no 200/2005, which will perform the functions established in the Article 62 of the Council Regulation no 1083/2006.

The **Audit Authority** is an associated body to the Court of Accounts, without legal capacity, operationally independent from the Court of Accounts and at the same time independent from all the Managing Authorities and Certifying Authority.

According to the provisions of the Law no. 200/2005, Article 14, the Audit Authority has the following responsibilities:

- system audit, sample checks and final audit;
- checks and external audit for the structural funds;
- annual checks of the management and control systems;
- checks of the statements of expenditure, on the basis of an appropriate sample;
- carries out appropriate checks in order to issue winding-up declarations at the closure of measures and programmes;
- checks the existence and correctness of the national co-financing.

Assessment of the compliance of the management and control systems

As required by Article 71 of the Council Regulation no 1083/2006, an assessment of the compliance of the management and control systems for SOP HRD will be submitted to the Commission before the submission of the first interim application for payment or at the latest within twelve months of the approval of the OP.

5.4 Information and Publicity

The Managing Authority for the SOP HRD will ensure that the implementation of the programme complies with the information and publicity requirements for the programme, as set out in Article 69 of Council Regulation (EC) No 1083/2006 and Section 1, Information and Communication, of Commission Regulation (EC) No 1828/2006.

In accordance with this Regulation, the objectives of information and publicity measures will be:

- to ensure transparency through the provision of information on the operation of the Structural Funds, the availability of funds and application procedures for potential beneficiaries, as well as for regional and local authorities, the economic and social partners and Non-Governmental Organisations and civil society.
- to improve understanding of Community measures through raising awareness of the role played by the Structural Funds and the European Union in regional development and in the support of economic and social cohesion in Romania.

The support of the EU shall be indicated in accordance with the provisions of the above-mentioned Commission Regulation and at all appropriate locations.

The implementation of information and publicity activities regarding the European Social Fund at the national level shall be performed in line with the National Communication Strategy elaborated by ACIS.

Managing Authority SOP HRD will elaborate the Communication Plan for SOP HRD. For the identification of the information needs, before the elaboration of the strategy, it will be developed a qualitatively research through public opinion polls which will determine the information needs and the expectation of the target groups. At the same time, it will be identified the style, the message and the content of the informative packages and the information channels which would be used for each target group.

The Communication Plan elaborated by the Managing Authority for SOP HRD sets out the objectives, strategy, content, target groups, budget allocation and criteria to be used for evaluating the effectiveness of the measures as well as the responsible department or body for each publicity and information measures.

Two publicity and information officers are appointed within the Managing Authority SOP HRD.

5.5 Single Management Information System

Concept of the Single Management Information System

The Single Management Information System is a nation-wide web-based information system, supporting all Romanian organisations implementing the National Strategic Reference Framework and Operational Programmes. The system is addressing the needs of all management levels (Managing Authorities, Intermediate Bodies, Certifying Authority etc.) and through all the stages of the programme cycle (programming, tendering, contracting, monitoring, evaluation, payments, audit and control). SMIS main characteristic is that it provides its users with a single mechanism for assisting them in accomplishing their everyday tasks.

As a monitoring tool, SMIS is the main provider of information on progress regarding the implementation, at both project and programme level, allowing monitoring reports to be automatically generated.

The SMIS has been developed under the co-ordination of ACIS and in close co-operation with the representatives of all structures involved in the management of Structural Instruments. During the implementation period, the SMIS will be managed and further developed by ACIS.

SMIS design and functionality

The SMIS design follows three main principles: data **availability** (data are directly available following the request of an authorised user); data **confidentiality** (data are provided only to those users authorised for accessing that specific piece of information); data **integrity** (data processing should occur only by authorised users under authorised means). As means for implementing the three aforementioned principles the system supports multiple users categorised into a number of user groups/roles. In that way user permissions are easily organised and managed and the access to information can be thoroughly audited and logged in a flexible way.

In order to provide an effective management tool, the functional model of the SMIS is based on a set of subsystems, which together reflect the broad range of functionalities the System is designed to perform, as follows:

- *Programming* which allows the registration and the modification of the main information on the NSRF broken down at lower levels on OPs, priority axis, key area of intervention and operation;
- *Project management* (registration and the modification of the main information on projects, including the contracts⁵⁴);
- *Monitoring* which allows observing the NSRF progress at all levels, where appropriate

⁵⁴ A contract is a legal commitment concluded between the Beneficiary and the Grantee or Provider of the services, works or supplies necessary to implement a part of a project.

- against targets previously set; it also allows automatically bottom-up aggregation of the *actual value* of the core data which are registered at lower levels of the System;
- *Audit and Control* which registers the control and audit findings;
 - *Funds flow management* which deals with payment request forecasts, inflows, project revenues, suspensions and recoveries of funds.

Data will be introduced in SMIS at the appropriate level, based on clearly defined user rights profiles. The access to the system will be granted based on username/password, obtained from ACIS following a specific procedure which involves the heads of the institutions managing the Structural Instruments.

SMIS Co-ordinators' network

At the level of the Managing Authorities, Certifying and Paying Authority and Audit Authority, SMIS Co-ordinators have been designated, responsible for collecting and pipelining the needs of their institutions, concerning the improvement of the system and for up keeping the integrity and uniformity of the procedures followed in the implementation of Structural Instruments.

Among the SMIS Co-ordinators' tasks and responsibilities, the following can be mentioned:

- To act as an interface between OP MA and ACIS on the one hand and OP MA and IBs on the other hand, concerning SMIS issues;
- To collect and disseminate information from and within the institution they represent;
- To be the first line of help desk function;
- To be in-house trainers of users, including for the new employees.

Electronic data exchange with the European Commission according to Art. 40-42 of the Commission Regulation No.1828/2006 will be done through an interface between SMIS and the System for Fund management in the European Community 2007-2013 (SFC2007).

6. PARTNERSHIP

According to Chapter 21 provisions “Regional Policy and Co-ordination of Structural Instruments”, recommendations of monitoring missions from the European Commission - DG Regional Policy and DG Employment, Social Affairs and Equal Opportunities - as well as the provisions of the Council General Regulation regarding Structural and Cohesion Funds on the partnership principle in programming process, the Sectoral Operational Programme HRD was elaborated within an extended partnership process.

As a whole, the consultation process provides the support from the social partners as regards the human resources development in the next years. The dialogue aimed at the following:

- Obtaining partners agreement on the development of priority objectives;
- Ensuring the transparency of the elaboration process;
- An increasing commitment and involvement of partners.

As the institution responsible for European Social Fund management and co-ordinator of Sectoral Operational Programme for Human Resources Development elaboration, the Ministry of Labour, Family and Equal Opportunities, through the Managing Authority SOP HRD, initiated the consultation process with the relevant institutions at central and local level, as well as with social partners and NGOs active in the social field.

The inter-institutional partnership involved Ministry of Economy and Finance, Ministry of Education, Research and Youth, Ministry for Small and Medium Sized Enterprises, Trade, Tourism and Liberal Professions, Ministry of Public Health, National Agency for Employment, National Institute for Research in the field of Labour and Social Protection, the Anti-Poverty Commission and Promoting Social Inclusion, the National Training Board for Adults, the National Agency for Roma, the National Agency for Equal Opportunities between Women and Men, the National Authority for Disabled People, the National Agency for Family Protection, the National House for Pensions and other Social Insurance Rights, the Labour Inspection, other line ministries and relevant agencies.

Moreover, the consultations included the social partners and representatives of civil society. These consultations took the form of a concentrated co-operation, as it happened with the group of NGOs constantly active nearby the MoLFEO, which are permanently active in the legal consultations initiated by the ministry. At the same time, there were invited for consultations various NGOs with expertise in the social field, as in the case of the meetings organized in Bucharest or at regional level.

With a view to giving greater significance to the consultations with the organisations involved, MA SOP HRD organized thematic meetings for submitting the SOP HRD to public debates. Thus, there were organised separate meetings with trade unions and employers organisations and representatives of NGOs active in the following areas:

- child protection and youths over 18 years old who leave the state system for child protection;
- protection of disabled people;
- Roma population;
- equal opportunities between women and men;
- business environment.

Thus, an active participation was registered from the part of social partners and civil society, as regards the suggestions made on strengthening the institutional capacity of social partners and

non-governmental organisations, as well as for the integration and re-entry on the labour market of vulnerable groups.

The dialogue with social partners brought on the front line the need to boost the interest of employers and other stakeholders in increasing investments in human resources and increasing the corporate social responsibility. Moreover, the joint consultations with employers' organisations and trade unions indicated the need for further investments in transforming informal work in formal employment, promoting raising awareness campaigns and supporting measures to formalize the labour relations.

The civil society representatives also showed great interest in promoting ESF operations on strengthening local and social partnerships, improving NGOs capacity to facilitate the access to public information and support initiatives for shaping civic responsibility, through participation in public debates.

At the same time, promoting active employment measures for people occupied in subsistence agriculture benefited largely by the previous experience of NGOs which carried out programmes for the (re)integration on the labour market of inactive people, particularly those affected by hidden unemployment in rural areas.

Equally, NGOs made a valuable contribution during the elaboration of the key area of intervention on the development of social economy, bringing forth operations on developing the necessary tools and mechanisms to fully implement the concept of social economy, operations on promoting employability and adaptability of low skilled people and disabled people, as well as raising awareness campaigns in the field of social economy.

More operations were included following the open consultations with the social partners and civil society representatives as regards the increased access of women on the labour market and the promotion of campaigns on non-stereotypes gender role, health culture, fighting against trafficking human beings, domestic violence etc. Social partners and NGOs made also an input with regard to trans-national initiatives and partnerships at European level, as concerns the development of new methods for combating discrimination and inequalities on the labour market.

More meetings were organised at regional level, together with the Regional Development Agencies and the County Agencies for Employment, where there was a large attendance from the representatives of local councils, prefects' offices, town halls, local agencies for employment, county school inspectorates, universities and business environment – trade unions and employers' organisations – and civil society (associations, foundations, other NGOs).

Another target group was the NGOs with history in accessing Phare Funds, as an informed segment of future project promoters, but also the NGOs experienced in providing social services at national and local level, interested in the ESF funding.

These meetings were organised in several stages in the city centres of the Development Regions, i.e. Bucharest, Călărași, Craiova, Timișoara, Cluj-Napoca, Alba Iulia, Piatra Neamț, Brăila, by MA SOP HRD and IB SOP HRD. Besides that, there were held information sessions in other cities such as: Bistrița, Ploiești, Târgu Jiu, Turnu Severin, Sinaia, Oradea, Constanța, Iași, Deva, Slatina, Sibiu a/o.

MA SOP HRD also participated in the Caravans organised by the Ministry of Economy and Finance in the 8 development regions, which aimed at promoting NDP 2007-2013, NSRF 2007-2013 and the Operational Programmes.

During January – November 2006 and then during March 2007 the series of meetings with civil society intensified and communications on the SOP HRD were provided to the Association of Cities in Romania, the Association of Municipalities in Romania, to professional associations and other groups involved in the development of human resources belonging to business.

Furthermore, the electronic version of the SOP HRD was posted on the MoLFEO internet webpage, so that local authorities, NGOs, companies, individuals interested in the Programme be able to send their comments.

The result of these consultations materialized in proposals for improving the socio-economic analysis, the SWOT analysis, the Strategy, as well as the fields of interventions and the indicative operations included in the SOP HRD. Approximately 1,000 entities were involved in the consultation process and most of their suggestions were taken on board.

ANNEXES

Annex 1 – Tables, charts and text boxes

Table 1. The structure of the education system

Age	Type of education	Grade	ISCED	Educational level		Qualification level	
>19	Post-compulsory		6	Post-university education		University and post university education	5
				Doctorate (PhD)			
			5	University education	Master		4
				Bachelor			
			4	Post high school education ⁵⁵		Post-secondary education	3
18	Post-compulsory	XIII	3		High school – upper cycle	Upper secondary education	3
17		XII		High school – upper cycle			
16		XI			Completion year		2 ⁵⁶
15	Compulsory	X	2	High school – lower cycle	School of Arts and Trades	Lower secondary education	1 ⁵⁷
14		IX					
13		VIII		Lower secondary school (Gymnasium)			
12		VII					
11		VI	1	Primary school			
10		V					
9		IV					
8		III					
7		II	Primary education				
6		I					
5			0	Pre-school education (kindergartens)		Pre-school education	
4							
3							

Source: ETF, *Sharing expertise in training–Country Monograph on education, training and employment services in Romania 2003*

Box 1. Initial VET system since 2003/2004

In initial VET there are two training routes:

- Direct professional route (in technological high schools) – 2 years of the lower level of high schools (the last two years of compulsory education) + 2 years of upper level of high school;
- Progressive professional route – School of Arts and Trades (2 years) + completion year (1 year) + 2 years of upper level of high school (technological high schools).

The recent restructuring of the pre-university education system, namely the extension from 8 to 10 years of the compulsory education, includes within the last two years of the compulsory education one pathway dedicated to professional qualifications achievement. These two school years are part of a progressive professional route, which allows students to continue their studies up to ISCED 3 – high school and up to qualification level 3. The School of Arts and Trades is the educational level recently introduced in the structure of the compulsory education.

⁵⁵ Vocational qualification for a maximum of 3 years offered to those who graduate high school (including those who do not hold the baccalaureate diploma), non-university education

⁵⁶ Level 2 of qualification is offered to those who graduate the School of Arts and Trades after the completion year (XI grade). Schools of Arts and Trades and the Completion year represent the Vocational Education.

⁵⁷ Level 1 of qualification is offered to those who graduate the School of Arts and Trades (IX-X grades)

Table 2. Enrolments in education

		2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	Change 2005/2006 compared to 2000/2001 %
Pre-school education	Total	610,817	615,861	629,703	636,709	644,911	648,049	6.10
	Urban	292,182	293,503	299,936	300,925	316,817	320,690	9.76
	Rural	318,635	322,358	329,767	335,784	328,094	327,359	2.74
Primary education	Total	1,090,172	1,028,288	990,399	1,005,086	969,654	938,823	-13.88
	Urban	550,038	501,686	470,869	465,760	447,198	451,194	-17.97
	Rural	540,134	526,602	519,530	539,326	522,456	487,629	-9.72
Gymnasium education	Total	1,321,333	1,291,338	1,207,029	1,116,270	1,025,840	960,827	-27.28
	Urban	770,073	743,713	682,467	615,656	550,658	519,688	-32.51
	Rural	551,260	547,625	524,562	500,614	475,182	441,139	-19.98
High school education	Total	684,461	706,670	736,608	755,577	770,888	764,543	11.70
	Urban	522,387	532,540	545,167	552,866	553,970	542,784	3.90
	Rural	162,074	174,130	191,441	202,711	216,918	221,759	36.83
Vocational Education	Total	239,532	252,331	270,192	279,110	289,478	284,394	18.73
	Urban	138,111	144,042	149,340	147,333	146,470	144,064	4.31
	Rural	101,421	108,289	120,852	131,777	143,008	140,330	38.36
Post-secondary education	Total	82,027	72,613	61,789	54,707	48,664	43,596	-46.85
	Urban	63,756	56,388	47,319	41,848	37,723	33,286	-47.79
	Rural	18,271	16,225	14,470	12,859	10,941	10,310	-43.57
Total Pre- university education		4,028,342	3,967,101	3,895,720	3,847,459	3,749,435	3,640,232	-9.63
University education	Total	521,483	571,613	586,567	611,779	641,400	706,520	35.48
	Public	370,912	424,864	447,633	468,024	486,419	504,230	35.94
	Private	150,571	146,749	138,934	143,755	154,981	202,290	34.35
Total		4,549,825	4,538,714	4,482,287	4,459,238	4,390,835	4,346,752	-4.46

Source: MoERY, Report on Education, 2005

Table 3.1. Demographic trends by region/level of education, 2013 as compared to 2005 (%)

Demographic change	North-East	South-East	South	South-West	West	North-West	Centre	Total
School population in pre-university education	-16.2	-20.4	-19.7	-20	-18.9	-19.8	-19.6	-19.1
School population in primary and gymnasium education	-16.5	-20.4	-19.6	-20.0	-18.9	-19.7	-19.6	-19.1
School population in high school education	-15.5	-20.3	-19.8	-19.9	-19.1	-19.9	-19.9	-19.2
School population in initial VET	-15.6	-20.6	-19.8	-19.9	-19.0	-20.1	-19.8	-19.1

Source: National Institute for Statistics (NIS), Demographic trends for 2025 horizon

Table 3.2. School population by levels of education in the years 2005, 2015 and 2025
(thousand persons)

Level of education	2005	2015	2025	Change 2025/2005	
				Absolute change	Relative change (%)
Pre-school	644.9	605.3	482.6	-162.3	-25.2
Primary	962.6	934.2	806.2	-156.4	-16.2
Lower secondary	1012.6	785.4	757.3	-255.3	-25.2
High school	773.8	484.8	472.9	-301.0	-38.9
Vocational	289.5	183.9	176.2	-113.3	-39.1
Post high school	48.7	34.3	30.5	-18.2	-37.4
Tertiary	650.3	410.5	385.2	-265.1	-40.8

Source: NIS, School Population Projection (2005-2025), Social Statistics Series, 2006.

Table 4. Gross enrolment rate in education (%)

Enrolment	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Total	66.5	68.3	70.2	71.6	72.0	72.9
Female	67.8	69.8	72.2	73.4	73.9	75.0
Male	65.3	66.8	68.5	69.8	70.2	70.8

Source: MoERY, Report on Education, 2005

Table 5. Gross enrolment rate in ISCED 1-3 (%)

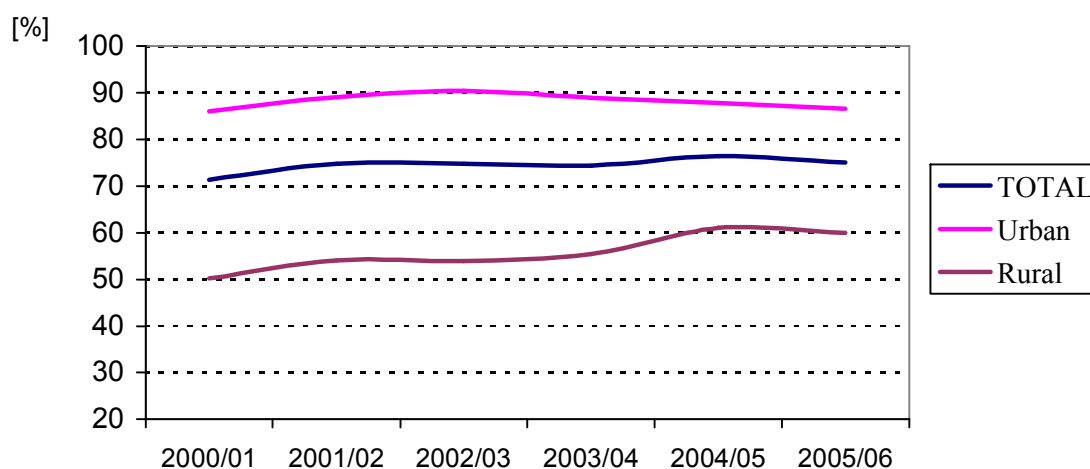
Enrolment	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Total	71.4	74.8	74.7	74.4	76.4	75.6
Urban	86.0	89.1	90.4	89.0	87.8	86.1
Rural	50.2	54.1	53.9	55.4	61.0	61.4
Female	72.7	76.5	76.7	76.1	78.0	76.6
Male	70.2	73.2	72.7	72.8	74.9	74.6
Primary education						
TOTAL	100.3	104.0	103.7	109.1	107.9	106.1
Urban	99.3	105.7	105.1	110.2	105.6	109.3
Rural	101.4	102.4	102.4	108.1	109.9	103.3
Female	99.2	102.9	102.5	108.1	107.0	105.4
Male	101.4	105.0	104.8	110.0	108.8	106.7
Lower secondary schools (gymnasia)						
TOTAL	94.7	92.1	93.7	93.5	94.0	97.4
Urban	97.3	94.7	98.3	98.2	96.1	104.5
Rural	91.5	88.7	88.2	88.3	91.7	90.1
Female	94.5	91.6	93.2	92.8	93.1	96.4
Male	95.0	92.5	94.0	94.2	94.9	98.2
High schools (including technological high schools – part of initial VET)						
Total	52.9	55.1	54.6	54.3	55.5	54.7
Urban	68.0	70.1	70.9	70.3	69.4	68.4
Rural	30.9	33.3	33.0	33.6	36.8	36.7
Female	59.2	61.4	61.4	60.6	61.8	59.9
Male	46.9	49.0	48.2	48.3	49.5	49.6

Enrolment	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Vocational education						
Total	18.5	19.7	20.0	20.1	20.9	20.3
Urban	18.0	19.0	19.4	18.7	18.4	18.2
Rural	19.3	20.7	20.9	21.8	24.3	23.2
Female	13.6	15.1	15.3	15.5	16.2	16.0
Male	23.3	24.1	24.6	24.5	25.4	24.6
High schools and vocational education						
Total	71.4	74.8	74.7	74.4	76.4	75.0
Urban	86.0	89.1	90.4	89.0	87.8	86.6
Rural	50.2	54.1	53.9	55.4	61.0	59.9
Female	72.7	76.5	76.7	76.1	78.0	75.9
Male	70.2	73.2	72.7	72.8	74.9	74.2

From Table 5 the following conclusions can be drawn:

1. participation in education (ISCED 1-3) recorded a positive trend during 2000/2001 and 2004/2005, followed by a decrease in 2005/2006 as compared to previous school year;
2. participation in education (ISCED 1-3) is lower in case of rural areas as compared to urban areas during the entire period analysed; in rural areas participation in education decreases in upper levels);
3. in high school and vocational education, participation in education recorded an ascending evolution: at this level of education, the gross enrolment rate increased from 71.4% in 2000/2001 to 75.0% in 2005/2006, but is decreasing as compared to the level of 76.4% in 2004/2005; participation in vocational education in rural areas is higher as compared to urban areas, during the entire period analysed; this trend is explained by the increase of schooling capacity of VET in rural areas as part of the actions undertaken for increasing access to education for all.

Chart 1. Participation rate in high school (including technological high schools) and vocational education



Source: MoERY, Report on Education, 2006

Box 2. Discrimination/segregation in schools

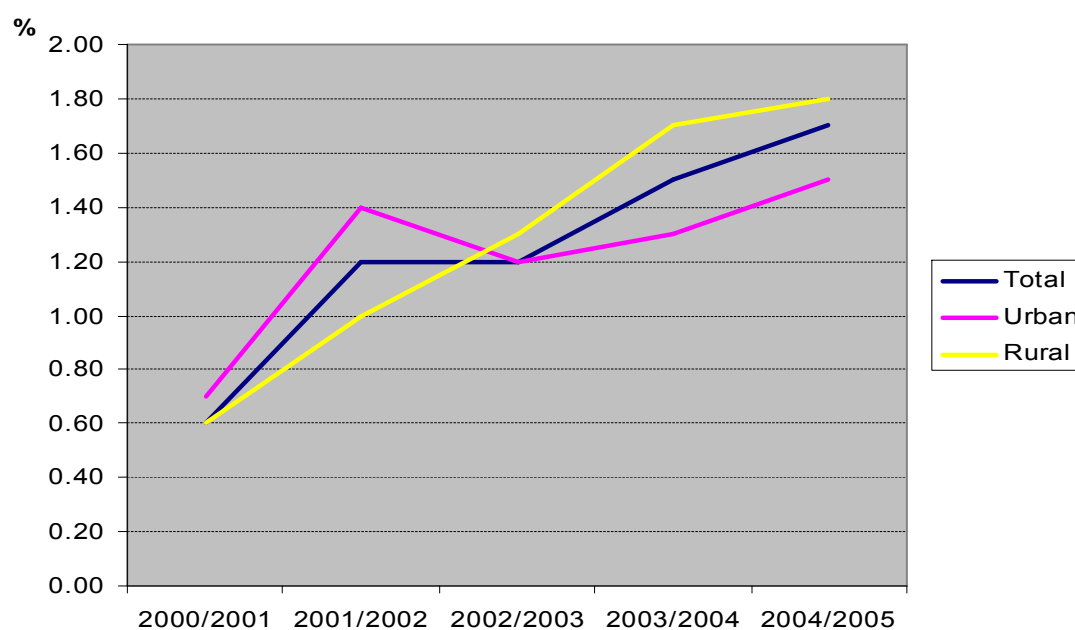
A study conducted within a Phare 2003 project on 108 schools reported several segregation practices: the channelling of Roma children by school managers into segregated all-Roma schools; the deliberate placement of Roma students in separate all-Roma or mainly-Roma classes in mixed schools; “well-intentioned” segregation, most often seen in situations where schools had very traditional Roma families in their catchments’ areas; “unintentionally” segregated classes arising from practices such as placing all late-enrolling children in the same class (often the children of Roma occupational travellers), or keeping all-Roma class groups intact when students transferred from an all-Roma kindergarten or primary school into an ethnically mixed school.

The same study identified that some schools were both residentially segregated and isolated, being in or close to a “compact” Roma neighbourhood, but with no alternative non-segregated school provision within walking distance or easy reach by public transport. In such schools, school managers reported problems in hiring well-qualified and committed teaching staff, there was high staff turnover and an over reliance on supply teachers who, because they were not permanently attached to the school, tended to have low levels of commitment to the students there. The schools providing an inferior learning environment recorded higher dropout rates. The effectiveness of School Mediator solution proposed by MoERY, was affected by the little support received from the local authorities/communities dealing with these problems (unwillingness to fund a School Mediator position). The effects of these discrimination/segregation practices may be observed in case of educational attainment and expectations of this community: if students achieved basic literacy and completed 8 grades, this was seen as a good achievement. Thus, the accession to the School of Arts and Trades seemed a very good achievement, while the enrolment in university education was an aspiration that was rarely, if ever, attained.

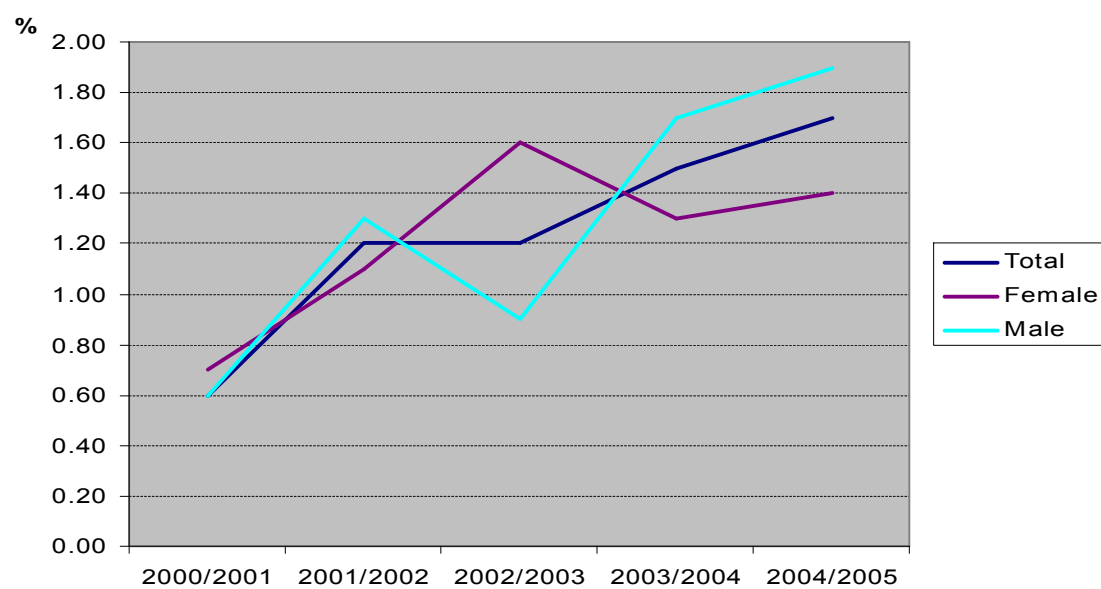
Box 3. Current practices in education for children with Special Education Needs

The most recent evolutions refer to the creation and development of educational support services for the children in difficulty and quality assurance in education for children with disabilities. The training of the teaching personnel of the public schools concerning the special educational needs of this target group and their integration into public schools was accompanied by the provision of psycho-pedagogical professional assistance and support through accessory support personnel and by the creation of possibilities for enrolment at home etc. Impact assessments indicate that their integration in mainstream education is more a physical integration than effective inclusion. Support services are insufficiently developed and still ineffective both for children with disabilities and for teaching personnel, pupils in public schools and their families.

The experience accumulated in using the services of itinerant teaching personnel shows that the existing methodology is inadequate: the statute of the itinerant teachers is affected by vagueness and some legal inconsistencies; there is an work overload since some of the tasks associated could be better performed by other categories of the personnel (school counsellor, school psychologist etc.); there are no transportation facilities for the itinerant teachers etc. The results obtained by the itinerant teachers in terms of the child development are poor, but they are more obvious in terms of transforming mentalities in inclusive schools and of the parents. So far, few schools became inclusive schools. “Inclusive schools” is not a concept reflected in daily realities, educational support services are underdeveloped and the community mentality did not improved much in respect with children integration in public schools.

Chart 2. Drop out rate by residence in primary and gymnasium education

Source: MoERY, Report on Education, 2005

Chart 3. Drop out rate by gender in primary and gymnasium education

Source: MoERY, Report on Education, 2005

Table 7. Gross enrolment in pre-school education

	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006
Total	66.1	67.5	71.0	71.8	73.0	74.7
Urban	69.2	70.8	76.3	76.9	77.8	79.6
Rural	63.4	64.8	66.7	67.9	68.8	70.5
Female	67.1	68.6	71.9	72.6	73.6	75.3
Male	65.1	66.5	70.1	71.1	72.4	74.3

Source: MoERY, Report on Education, 2005

Table 8. Enrolments in initial VET

School year	Initial VET					
	TOTAL Initial VET	Vocational education	High school education			
			Technological education (technological branch)	High school for students with specific aptitudes (i.e. arts, sport)	Theoretical	Total lyceum education
	Total no. of pupils enrolled (% in the rural areas)	Total no. of pupils enrolled (% in the rural areas)	Total no. of pupils enrolled (% in the rural areas)	Total no. of pupils enrolled (% in the rural areas)	Total no. of pupils enrolled (% in the rural areas)	Total no. of pupils enrolled (% in the rural areas)
2001-2002	565,665 (11.26%)	252,347 (15.8%)	313,318 (7.6%)	51,042 (2.6%)	346,303 (5.9%)	710,663 (6.4%)
2002-2003	596,531 (11.47%)	270,215 (15.9%)	326,316 (7.8%)	53,951 (2.3%)	360,137 (6.2%)	740,404 (6.6%)
2003-2004	618,951 (12.09%)	279,124 (17.3%)	339,827 (7.8%)	53,756 (2.1%)	365,334 (6.7%)	758,917 (6.9%)
2004-2005	637,803 (13.24%)	289,494 (19.4%)	348,309 (8.1%)	55,537 (2.1%)	369,997 (7%)	773,843 (7.1%)
2005-2006	628,554 (8.3%)	284,412 (18.0%)	344,142 (8.1%)	53,977 (2.0%)	369,320 (7.0%)	767,439 (7.2%)

Source: NIS, 2005

Table 9. Gross enrolment rate in university education*) (%)

Enrolment rate	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Total	27.7	31.2	35.3	37.9	40.2	44.8
Females	30.2	34.6	39.3	42.6	45.1	50.8
Males	25.2	28.0	31.4	33.5	35.4	39.0

Source: MoERY, Report on Education, 2005

*) The indicator is calculated by reference to the population in the 19-23 years age group.

Table 10. Enrolments in university education by Bologna cycles

Bologna cycles	2005	2006
Bachelor	493,395	494,681
Master	45,934	78,573
PhD	36,262	32,744

Source: MoERY, Internal Statistics, 2006

Table 11. The share of the 25-64 age group with at least upper secondary education (%)

	1999	2000	2001	2002	2003	2004	2005
Total out of which:							
	67.9	69.3	70.6	70.4	70.5	71.5	73.1
Male	74.5	75.8	76.9	76.8	76.8	77.5	78.5
Female	61.5	63.0	64.4	64.2	64.5	65.5	67.7

Sources: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

Table 12. Share of the population in 25-64 years age group with university education

	1999	2000	2001	2002	2003	2004	2005
Share of the 25-64 year age group population with university education in the 25-64 year age group (%) of which, by gender:							
	8.7	9.3	9.8	9.7	9.6	10.6	11.1
Male (%)	9.8	10.4	10.7	10.5	10.2	11.1	11.5
Female (%)	7.7	8.3	8.9	8.9	9.1	10.0	10.7

Sources: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

Table 13. Educational attainment, by age groups

	15-29 years (1992 Census)		15-29 years (2002 Census)		15-29 years, active population, (AMIGO, 2005)	
	persons	%	persons	%	persons	%
Total, of which:	5,214,784^{*)}		5,065,816^{*)}		5,138,996	
University education graduates	128,584	2.5	285,254	5.6	340,384	6.6
Post-secondary and foreman education graduates	14,171	0.3	109,349	2.2	117,260	2.3
Upper secondary education graduates	1,644,695	31.5	1,465,279	28.9	1,534,486	29.9
Graduates of professional schools and apprenticeship schools	923,095	17.7	736,700	14.5	835,812	16.3
Primary education graduates	184,720	3.5	382,711	7.5	302,911	5.9
No schooling	55,874	1.1	137,194	2.7	93,656	1.8
School graduates but undeclared	16,845	0.3	3,523	0.1	-	-

Sources: NIS, Population and Housing Census 1992 and 2002; Labour Force Survey 2005, annual average data

^{*)} Including gymnasium and high-school lower cycle graduates.

Table 14. Teaching personnel by residence area 2000 - 2005

		Pre-school	Primary education (mass education)	Primary education (special schools)	Gymnasium education (mass education)	Gymnasium Education (special schools)	High school	Vocational education	Post high school	University education
2000/2001	Total	34,023	57,717	2,595	97,172	5,122	64,018	4,894	1,438	27,959
	Urban	18,734	25,529	2,074	48,999	4,130	59,863	3,943	1,408	27,959
	Rural	15,289	32,188	521	48,173	992	4,155	951	30	-
2001/2002	Total	34,631	56,724	2,254	100,868	5,074	64,729	5,576	1,578	28,674
	Urban	19,013	24,627	1,870	50,895	4,198	60,562	4,307	1,565	28,674
	Rural	15,618	32,097	384	49,973	876	4,167	1,269	13	-
2002/2003	Total	34,307	54,573	2,062	92,825	4,737	60,988	6,063	1,496	29,619
	Urban	18,682	23,196	1,786	46,202	4,040	57,083	4,682	1,478	29,619
	Rural	15,625	31,377	276	46,623	697	3,905	1,381	18	-
2003/2004	Total	34,585	55,415	2,121	88,750	4,224	58,925	5,782	1,333	30,137
	Urban	18,717	22,965	1,867	42,778	3,635	54,999	4,425	1,324	30,137
	Rural	15,868	32,450	254	45,972	589	3,926	1,357	9	-
2004/2005	Total	35,288	54,932	2,167	89,119	3,950	62,192	6,290	1,066	30,857
	Urban	19,646	22,561	1,925	41,835	3,464	57,807	4,761	1,060	30,857
	Rural	15,642	32,371	242	47,284	486	4,385	1,529	6	-
2005/2006	Total	35,755	53,523	2,298	84,928	3,740	61,914	6,234	1,099	31,543
	Urban	19,977	22,898	2,098	40,167	3,413	57,410	4,662	1,093	31,543
	Rural	15,778	30,625	200	44,761	327	4,504	1,572	6	-

Source: MoERY, Report on Education, 2006

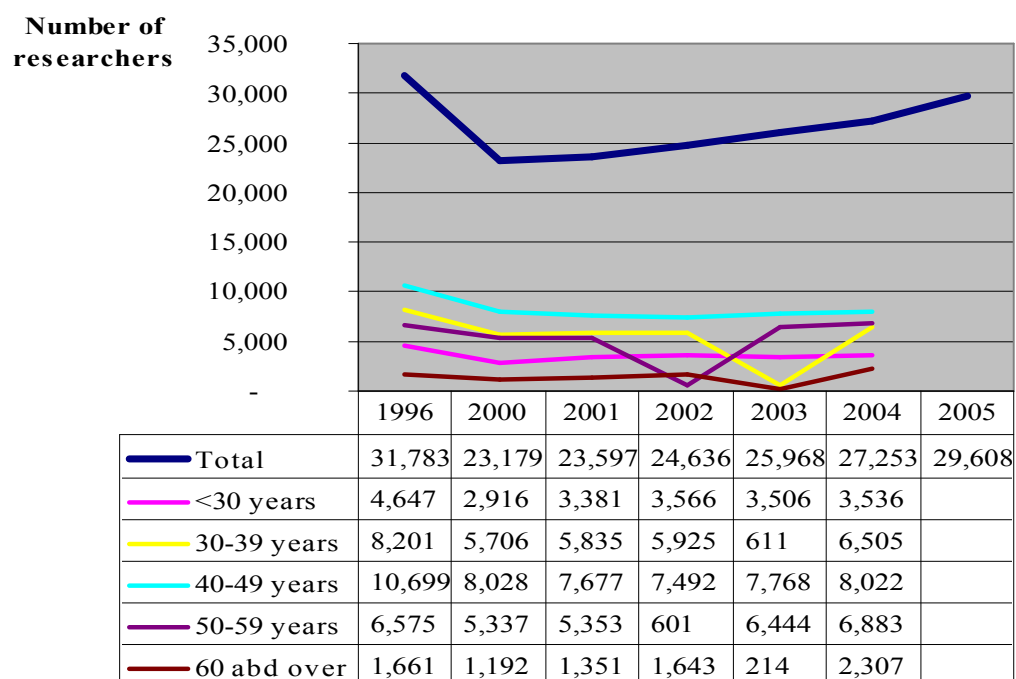
Table 15. Share of qualified teaching personnel, by residence and levels

		Pre-school education	Primary education (mass education)	Gymnasium education (mass education)	High school education	Vocational education	Post secondary education	University education
2000/2001	Total	84.9	*)	*)	91.3	79.1	84.4	90.7
	Urban	89.6	*)	*)	91.7	81.5	84.6	90.7
	Rural	79.1	*)	*)	86.6	69.0	73.3	-
2001/2002	Total	88.6	*)	*)	92.5	79.7	88.1	92.7
	Urban	92.8	*)	*)	93.0	82.1	88.2	92.7
	Rural	83.6	*)	*)	86.3	71.4	84.6	
2002/2003	Total	86.4	92.7	85.7	93.2	86.4	87.0	86.7
	Urban	88.7	95.4	93.0	93.4	88.5	86.9	86.7
	Rural	83.6	90.8	78.5	90.9	79.3	88.9	
2003/2004	Total	93.9	96.0	90.8	97.9	88.7	95.9	92.9
	Urban	97.4	98.3	96.7	98.1	90.2	96.0	92.9
	Rural	89.7	94.3	85.4	95.1	83.9	77.8	
2004/2005	Total	94.7	96.2	91.4	97.8	91.7	97.7	100.0
	Urban	97.3	98.4	96.8	98.0	94.6	97.6	100.0
	Rural	91.5	94.7	86.6	95.5	82.8	100.0	
2005/2006	Total	94.0	96.2	92.2	98.2	91.1	96.9	100.0
	Urban	96.6	98.3	96.8	98.4	93.3	96.9	100.0
	Rural	90.7	94.7	88.1	95.6	84.6	100	-

Source: MoERY, Report on Education, 2006

*) Not available data.

Chart 4. Researchers by age groups



Source: NIS, 2005

Table 16. Researchers by age groups new structure - 2005

	2005	
	total	%
Number of researchers		
out of which:	29,608	100
Up to 25 years old	904	3.1
25-34 years old	6,198	20.9
35-44 years old	7,053	23.8
45-54 years old	8,766	29.6
55-64 years old	5,583	18.9
+ 65 years old	1,104	3.7

Source: NIS

Table 17. Doctoral graduates (PhD)

Fields	2001-2003	2004	2005	Total
Mathematics	149	83	47	279
Physics	193	49	36	278
Chemistry	212	83	53	348
Chemical engineering	127	53	48	228
Engineering	100	50	29	179
Biology	172	53	72	297
Ecology	4	6	3	13
Geography	65	63	37	165
Geology	70	29	16	115
Philosophy	103	60	62	225
Language	427	172	208	807
History	187	111	70	368
Educational Sciences	84	27	25	136
Psychology	86	33	23	142
Sports	73	27	34	134
Sociology	70	20	34	124
Political sciences	8	2	9	19
Communication sciences	0	1	1	2
Law	248	121	91	460
Administration	0	0	0	0
Visual arts	17	13	28	58
Music	88	82	100	270
Theatre	41	20	14	75
Cinematography and media	12	14	1	27
International business and economics	65	28	32	125
International economics and European studies	0	0	1	1
Economics	205	89	90	384
Cybernetics	100	39	38	177
Finance	82	18	28	128
Accounting	94	59	49	202
Management	114	107	56	277
Marketing	20	21	13	54
Medicine	1150	476	405	2031
Dentistry	95	34	38	167
Pharmacy	56	25	18	99
Veterinary medicine	93	55	57	205
Agronomy	226	70	150	446
Horticulture	90	18	48	156
Forestry	36	4	10	50
Animal husbandry	51	26	37	114
Biotechnology	0	0	0	0
Architecture	35	14	9	58
Urbanism	5	0	0	5
Civil engineering	198	62	70	330
Electrical engineering	194	72	47	313
Energetics	49	15	9	73
Electronics and communication	112	51	35	198
Automatics	63	29	12	104
Computer programming	39	13	12	64
Informatics	22	4	11	37
industrial engineering	301	114	110	525
mechanical engineering	305	111	103	519
Aerospatiale engineering	18	4	2	24
Transportation	14	2	6	22
Mining, petrol and gaze	75	20	19	114
Theology	59	46	31	136
Military	129	14	43	186
Public order and security	0	5	1	6
Total	2631	6631	2817	12079

Source: MoERY, Internal Statistic 2006

Table 19. **Employment rate by gender and age group^{*)} (%)**

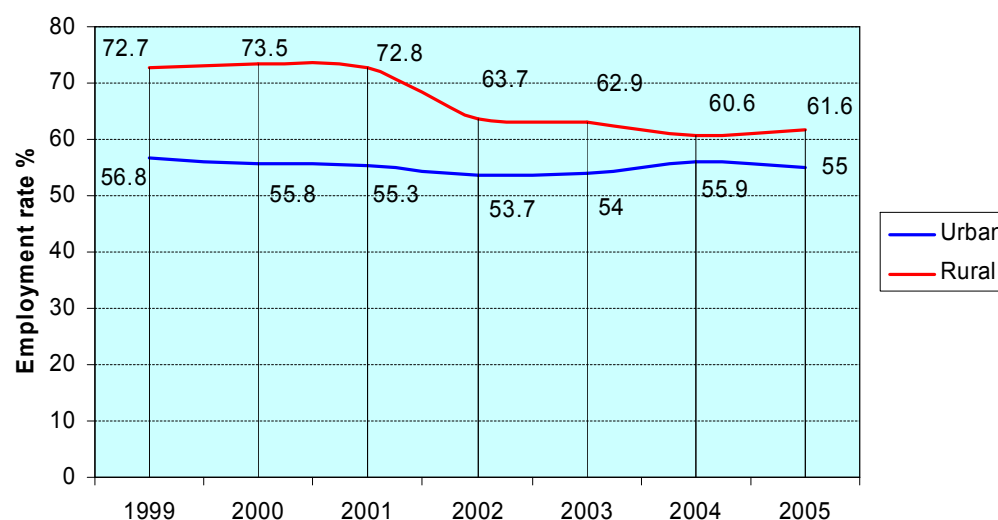
Year	15-64 years old			15-24 years old			25-54 years old			55-64 years old		
	Total	M	F	Total	M	F	Total	M	F	Total	M	F
1999	63.5	69.5	57.5	35.7	41.0	30.2	78.1	84.3	72.0	49.6	56.9	43.3
2000	63.2	69.1	57.5	35.1	39.5	30.5	77.5	83.7	71.2	49.5	56.0	43.8
2001	62.6	68.2	57.1	34.3	38.3	30.0	76.7	82.8	70.6	48.2	54.3	42.9
2002	58.0	64.1	52.0	30.5	34.6	26.2	72.8	79.6	66.0	37.7	43.1	33.0
2003	57.8	64.1	51.5	27.9	32.6	22.9	73.1	80.1	66.0	38.1	43.5	33.3
2004	57.9	63.6	52.1	29.1	32.8	25.1	72.9	79.2	66.6	36.9	43.1	31.4
2005 RO	57.7	63.9	51.5	25.6	29.4	21.6	73.3	80.0	66.5	39.4	46.7	33.1
EU-25	63.8	71.3	56.3	36.8	39.7	33.8	77.2	85.5	68.9	42.5	51.8	33.7
EU-15	65.2	72.9	57.4	39.8	42.7	36.8	77.8	86.6	69.1	44.1	53.1	35.4

Source for EU-25, EU-15: EUROSTAT, New Cronos

Sources for RO: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

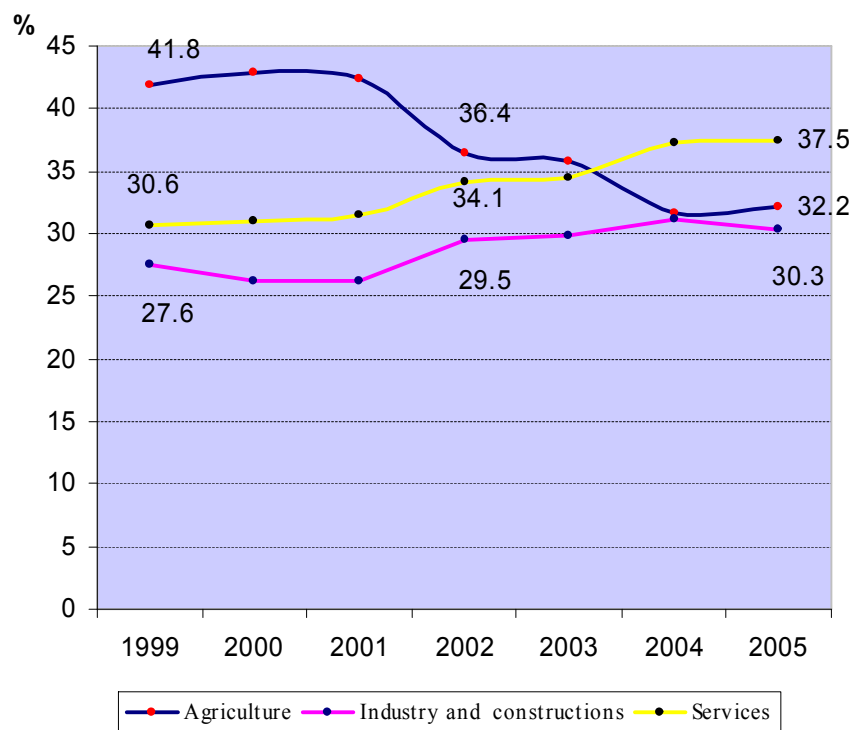
^{*)} Data referring to 1999-2001 are not fully comparable with data series 2002-2005 due to the revision of definitions related to the main categories of population (active, inactive, employed, unemployed).

Chart 5. **Rural vs urban employment dynamic^{*)}**
(15-64 years old)



Sources: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

^{*)} Data referring to 1999-2001 are not perfect comparable with data series 2002-2005 due to the revision of definitions related to main categories of population (active, inactive, employed, unemployed).

Chart 6. **Employment by economic sectors^{*)}**

Source for RO: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

^{*)} Data referring to 1999-2001 are not fully comparable with data series 2002-2005 due to the revision of definitions related to main categories of population (active, inactive, employed, unemployed).

Table 20. Civil Employment – differences between 1997 and 2005 by region and economic sector
(thou. persons)

REGION	Total	Agriculture	Industry	Constructions	Services
Romania	-632.3	-711.3	-476.0	23.4	531.6
1. North - East	-178.1	-132.0	-88.0	-2.9	44.8
2. South - East	-125.9	-106.4	-36.2	-4.6	21.3
3. South	-195.2	-130.3	-100.8	-7.6	43.5
4. South -West	-146.5	-99.3	-50.2	-14.3	17.3
5. West	-46.5	-60.2	9.2	2.6	1.9
6. North - West	-28.2	-100.2	-25.4	3.7	93.5
7. Centre	-107.0	-76.2	-108.3	-2.9	80.4
8. Bucharest - Ilfov	195.3	-6.7	-76.3	49.4	228.9

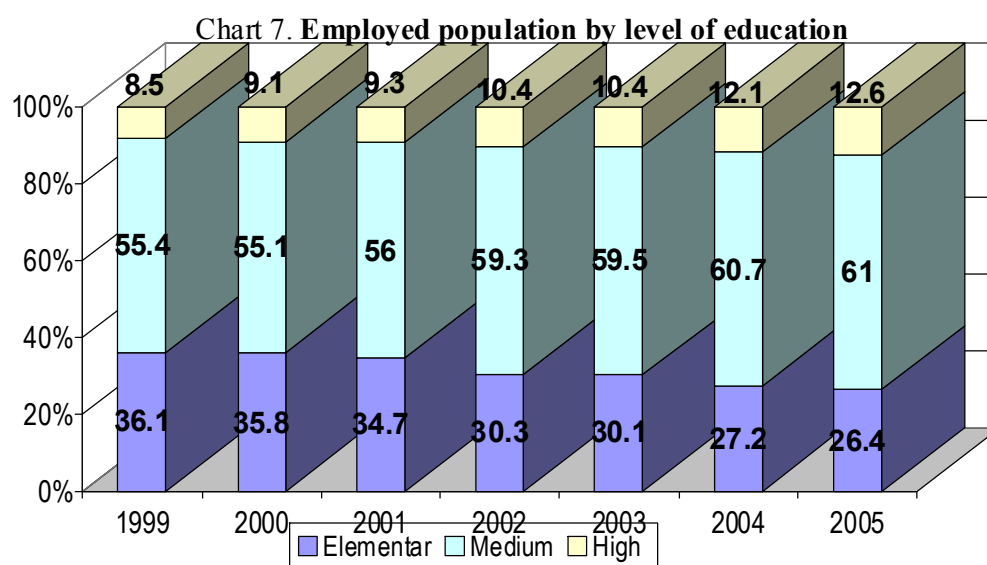
Source: NIS, Labour Force Balance

Table 21. **Employed population by working time** (% out of total employed)

	1999	2000	2001	2002	2003	2004	2005		
							RO	EU25	EU15
Total									
- full-time	84.3	83.7	83.6	88.4	88.6	89.4	89.8	-	-
- part-time	15.7	16.3	16.4	11.6	11.4	10.6	10.2	18.4	20.3
Male									
- full-time	86.5	85.7	85.3	89.4	89.2	89.9	90.1	-	-
- part-time	13.5	14.3	14.7	10.6	10.8	10.1	9.9	7.4	7.7
Female									
- full-time	81.8	81.4	81.6	87.2	87.8	88.8	89.5	-	-
- part-time	18.2	18.6	18.4	12.8	12.2	11.2	10.5	32.4	36.3

Source for EU-25 and EU-15: EUROSTAT, New Cronos

Source for RO: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002



Source: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

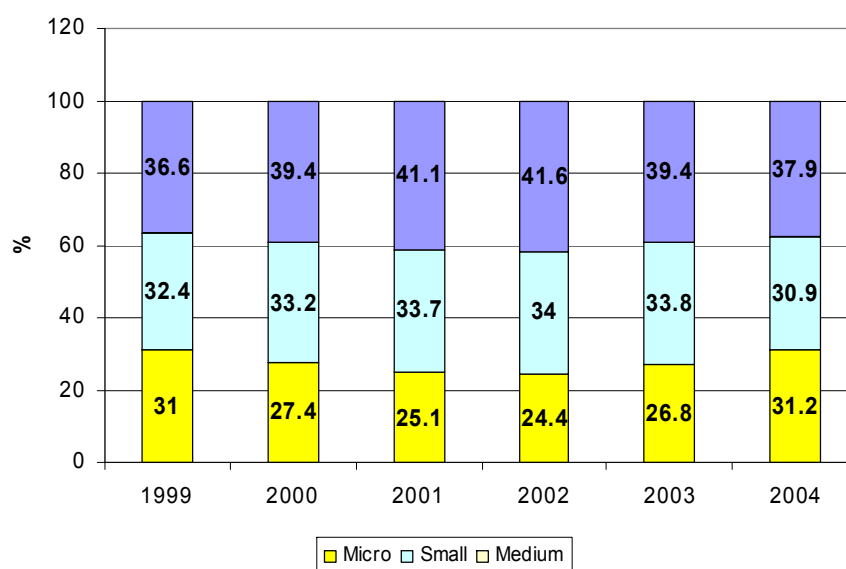
NOTE: Data referring to 1999-2001 are not perfect comparable with data series 2002-2005 due to the revision of definitions related to main categories of population (active, inactive, employed, unemployed).

Table 22. **Number of employees by SMEs size**

	2001	2002	2003	2004	2005
Micro	732,653	478,002	586,880	733,230	877,383
Small	613,959	635,689	689,056	726,953	878,522
Medium	776,005	829,274	859,020	889,542	1,023,062
Total	2,122,617	1,942,965	2,134,956	2,349,725	2,778,967

Source: MSMETTLP, NIS and White Charter of SMEs, 2006

Chart 8. Employment by SMEs size



Source: MSMETTLP, NIS

Table 23. Number of employees in SMEs by sector

	2001	2002	2003	2004
Agriculture	72,037	78,689	78,562	77,781
Constructions	199,811	208,848	230,191	250,895
Industry	655,992	715,629	755,409	799,563
Services	1,194,777	939,799	1,070,794	1,221,486

Source: MSMETTLP, NIS

Table 24. The regional employment rate (15-64 years old group)*)

Region	1999	2000	2001	2002	2003	2004	2005
North-East	65.9	66.1	65.5	60.1	59.9	62.4	61.5
South-East	60.3	60.3	59.5	55.3	55.8	54.7	54.7
South	64.6	64.4	63.7	58.2	58.1	58.1	58.1
South-West	68.6	68.6	69.0	61.8	62.0	59.9	60.1
West	62.8	62.1	61.2	57.6	57.1	56.9	56.6
North-West	63.5	63.2	63.8	57.8	57.2	56.1	56.0
Centre	59.7	59.7	59.7	55.9	55.2	53.9	54.2
Bucharest - Ilfov	62.0	60.2	57.0	56.9	56.5	59.7	59.4
Romania	63.5	63.2	62.6	58.0	57.8	57.9	57.7

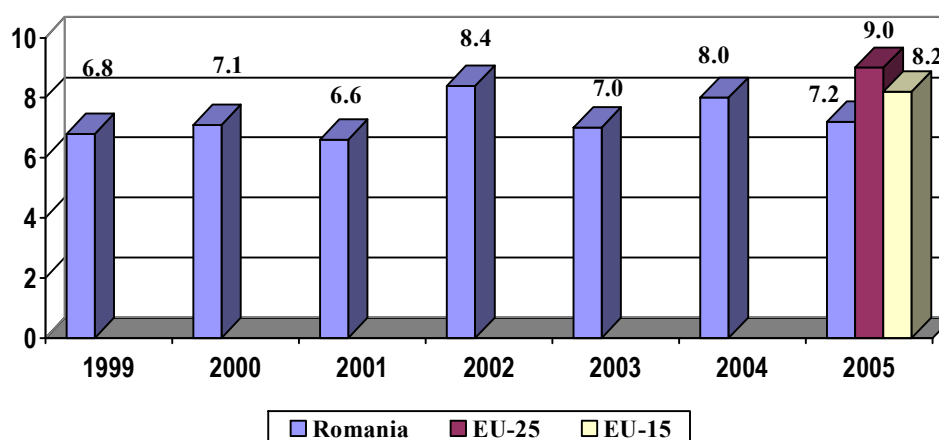
Source: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

*) Data referring to 1999-2001 are not fully comparable with data series 2002-2005 due to the revision of definitions related to main categories of population (active, inactive, employed, unemployed).

Table 25. **Employment structure by regions and economic sectors**

	2002	2003	2004	2005
TOTAL (thou. persons)	9,234	9,223	9,158	9,147
Agriculture (%)	36.4	35.7	31.6	32.2
Industry and constructions (%)	29.5	29.8	31.2	30.3
Services (%)	34.1	34.5	37.2	37.5
1.NORTH-EAST (thou. persons)	1,645	1,652	1,701	1,688
Agriculture (%)	51.1	51.2	48.3	48.4
Industry and constructions (%)	23.3	23.5	23.8	23.4
Services (%)	25.6	25.3	27.9	28.2
2.SOUTH-EAST (thou. persons)	1,160	1,175	1,151	1,147
Agriculture (%)	38.1	38.1	33.3	33.3
Industry and constructions (%)	25.6	25.4	28.4	27.3
Services (%)	36.3	36.5	38.3	39.4
3.SOUTH (thou. persons)	1,443	1,443	1,417	1,414
Agriculture (%)	43.5	41.8	37.7	37.8
Industry and constructions (%)	28.0	28.8	31.4	31.3
Services (%)	28.5	29.4	30.9	30.9
4.SOUTH-WEST (thou. persons)	1,083	1,076	1,039	1,043
Agriculture (%)	50.1	48.4	47.7	48.9
Industry and constructions (%)	23.4	24.7	24.5	23.9
Services (%)	26.5	26.9	27.8	27.2
5.WEST (thou. persons)	803	800	793	788
Agriculture (%)	27.7	27.7	21.2	20.7
Industry and constructions (%)	34.4	33.6	40.1	40.3
Services (%)	37.9	38.7	38.7	39.0
6.NORTH-WEST (thou. persons)	1,164	1,154	1,115	1,118
Agriculture (%)	34.0	33.2	27.8	29.9
Industry and constructions (%)	32.2	32.9	34.7	32.1
Services (%)	33.8	33.9	37.5	38.0
7.CENTRE (thou. persons)	1,027	1,017	980	987
Agriculture (%)	25.9	25.2	17.1	19.0
Industry and constructions (%)	40.8	41.6	43.4	41.1
Services (%)	33.3	33.2	39.5	39.9
8.BUCHAREST-ILFOV (thou. persons)	909	906	962	962
Agriculture (%)	2.7	1.6	1.6	1.6
Industry and constructions (%)	34.7	34.3	30.8	30.5
Services (%)	62.6	64.1	67.6	67.9

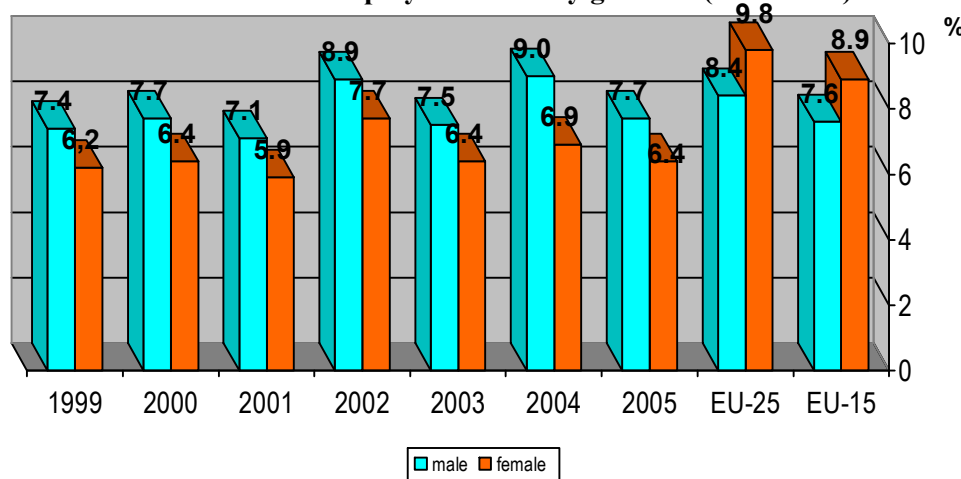
Source: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

Chart 9. ILO Unemployment rate^{*)} 1999-2005

Source for EU-25, EU-15: EUROSTAT, New Cronos data referring to second quarter 2005

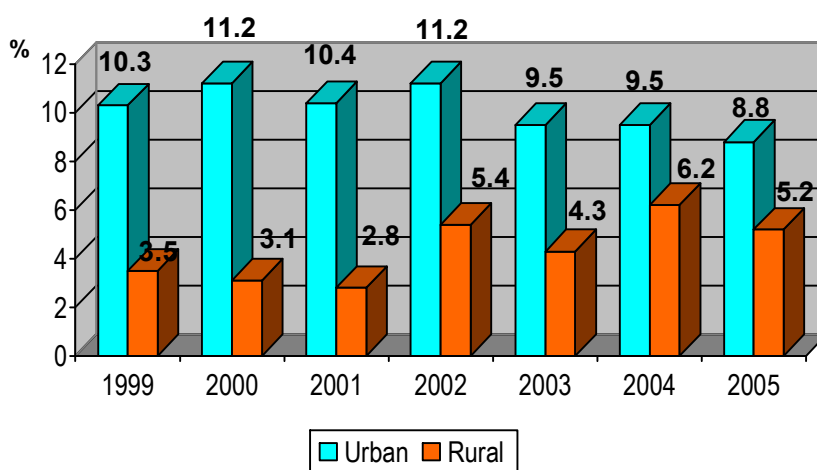
Source for RO: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

^{*)} Data referring to 1999-2001 are not fully comparable with data series 2002-2005 due to the revision of definitions related to main categories of population (active, inactive, employed, unemployed).

Chart 10. ILO unemployment rate by gender^{*)} (1999-2005)

Source: NIS, Labour Force Survey annual average data; data for 2002- 2005 were weighted based on the results of the Population and Housing Census, March 2002

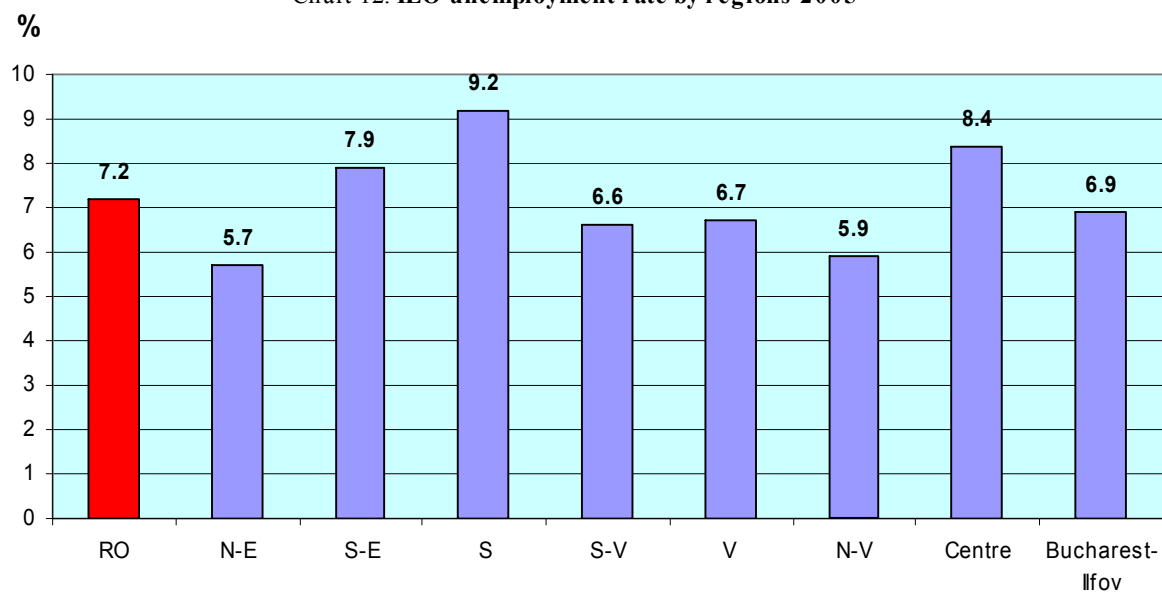
^{*)} Data referring to 1999-2001 are not fully comparable with data series 2002-2005 due to the revision of definitions related to main categories of population (active, inactive, employed, unemployed).

Chart 11. ILO unemployment rate by areas^{*)} (1999-2005)

Source: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

^{*)} Data referring to 1999-2001 are not fully comparable with data series 2002-2005 due to the revision of definitions related to main categories of population (active, inactive, employed, unemployed).

Chart 12. ILO unemployment rate by regions 2005



Source: NIS, Labour Force Survey annual average data 2005

Table 26. ILO unemployment by gender and education level

Education level ⁵⁸	2002			2005		
	Total	Male	Female	Total	Male	Female
Higher	46,657	22,249	24,407	46,233	21,626	24,607
Medium	584,624	337,680	246,944	486,487	290,517	195,971
Low	213,992	134,147	79,846	171,741	108,174	63,567

Source: NIS, Labour Force Survey

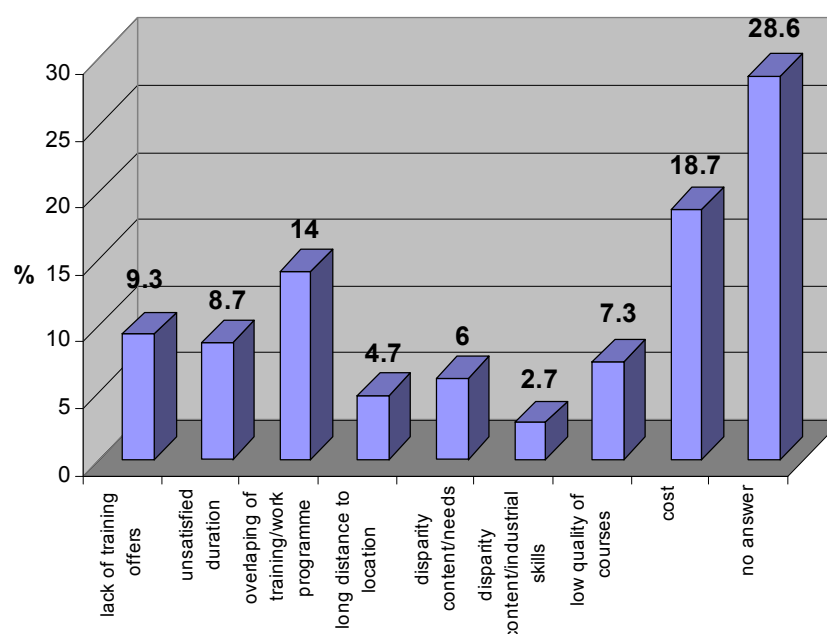
Table 27. ILO long-term unemployment rate by area and age groups (%)

Year	Total			Aged 15-24			Aged 25 and over		
	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
1999	3.0	4.9	1.2	11.2	25.3	5.1	2.3	4.6	0.8
2000	3.6	6.1	1.3	11.7	20.0	5.1	3.0	5.0	1.0
2001	3.2	5.5	1.1	10.7	17.7	5.0	2.7	4.7	0.7
2002	4.5	6.6	2.2	14.7	21.3	9.0	3.6	5.4	1.6
2003	4.3	6.1	2.4	13.1	19.3	7.5	3.6	5.2	1.9
2004	4.7	5.4	3.9	14.3	18.0	10.8	3.9	4.5	3.2
2005 - RO	4.0	5.2	2.7	13.1	18.2	8.7	3.3	4.3	2.1
- EU - 25	3.9								
- EU - 15	3.3								

Source for EU-25, EU-15: EUROSTAT, New Cronos 2005

Source for RO: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

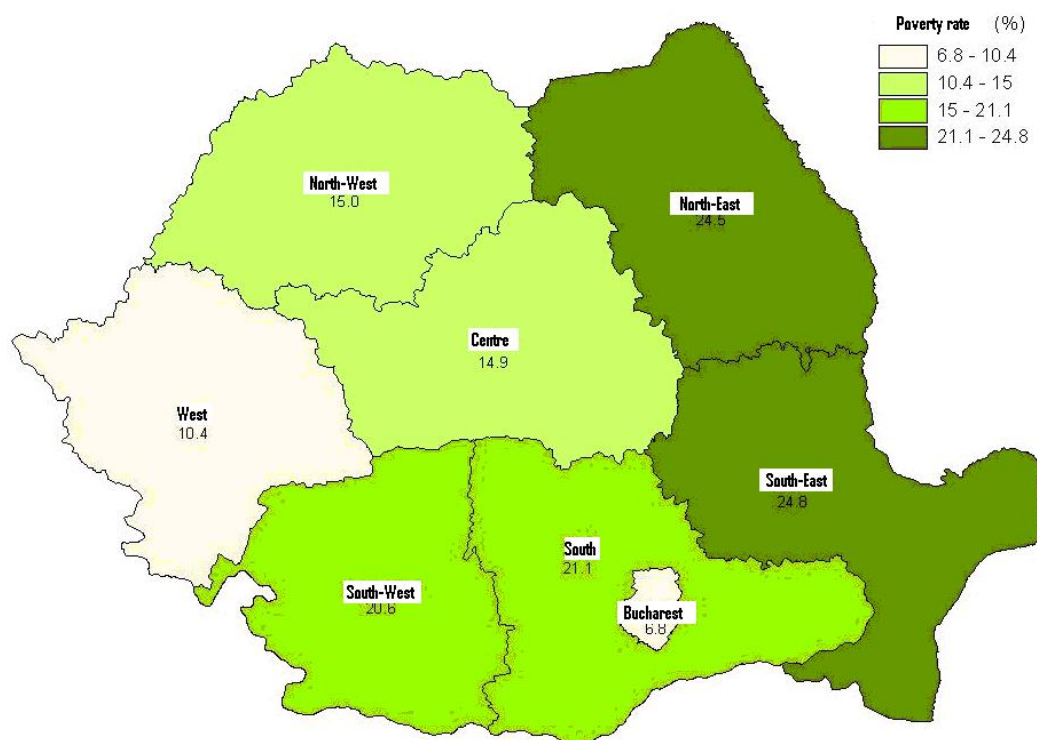
Chart 13 Constraints or obstacles against the participation in training



Source: NIRFLSP – Explorative Study on Demand for Continuing Vocational Training 2004

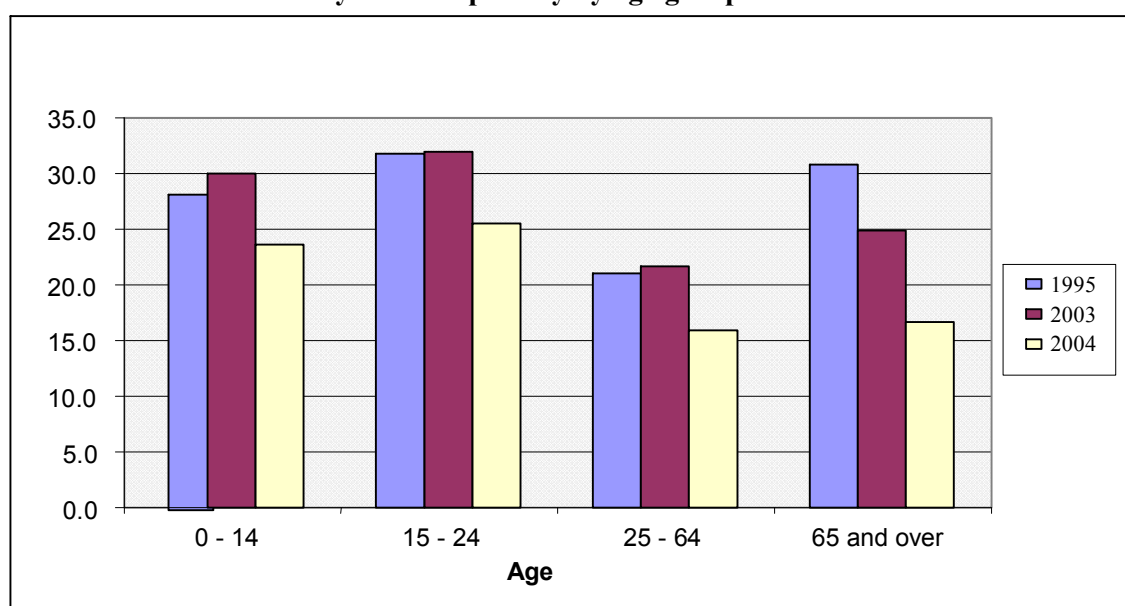
⁵⁸ Higher - short-term university (college), long-term university education (including MBA, PhD);
Medium -specialized post-high school or technical school, high-school, vocational, complementary or apprentice, first high-school stage;
Low - gymnasium, primary, no school graduation.

Chart 14. Regional distribution of the relative poverty

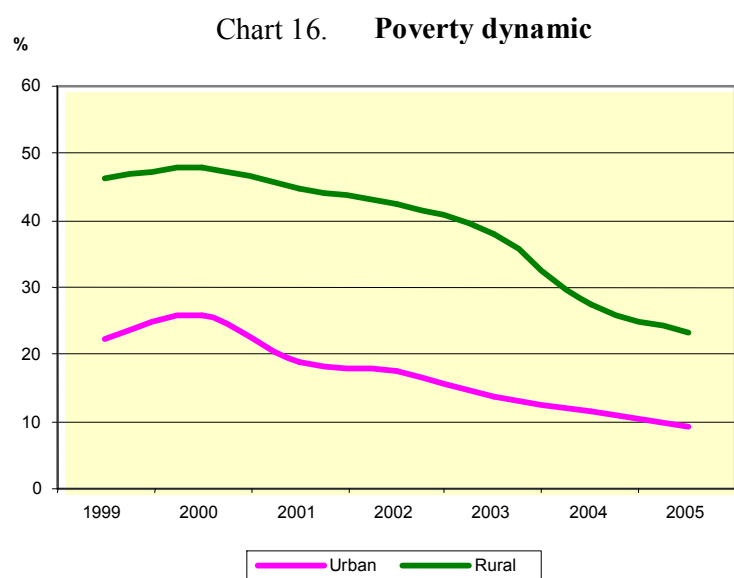


Source: NIS calculations using EU methodology, 2005

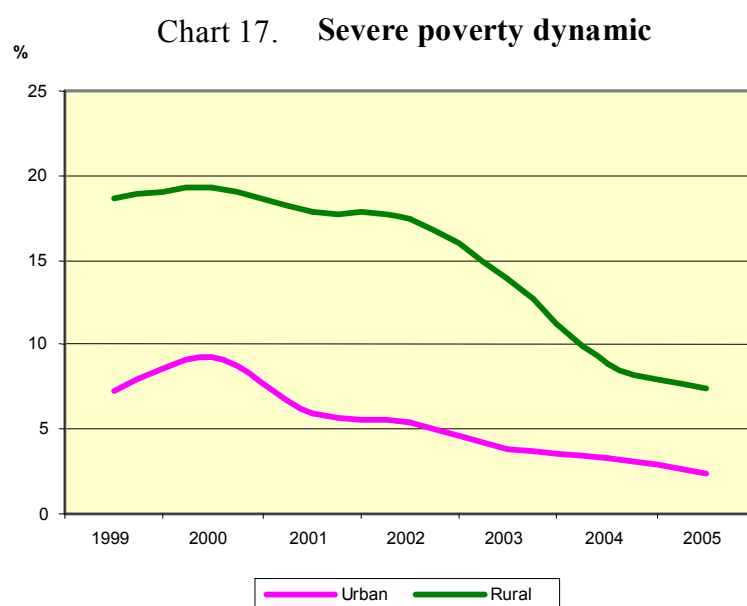
Chart 15. Dynamic of poverty by age groups



Source: CASPIS 2005



Source: CASPIS, 2005



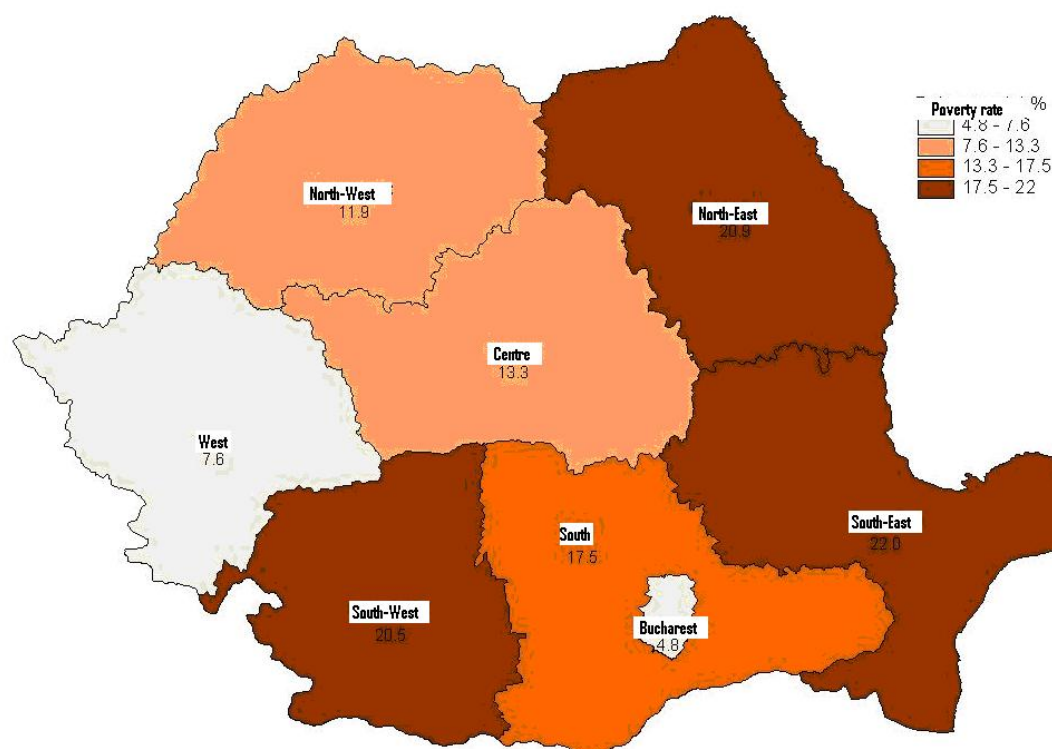
Source: CASPIS, 2005

Table 29. Dynamics of Poverty and Severe Poverty by Area

	1999	2000	2001	2002	2003	2004	2005
Poverty %	33.2	35.9	30.6	28.9	25.1	18.8	15.6
million persons	7.5	8.0	6.9	6.5	5.5	4	3.4
Urban %	22.2	25.9	18.8	17.6	13.8	11.6	9.4
million persons	2.7	3.2	2.3	2.1	1.6	1.3	1.1
Rural %	46.3	47.8	44.7	42.4	38.0	27.3	23.2
million persons	4.7	4.9	4.6	4.3	3.9	2.7	2.3
Severe poverty %	12.5	13.8	11.4	10.9	8.6	5.9	4.7
million persons	2.8	3.1	2.5	2.4	1.9	1.3	1.0
Urban %	7.3	9.2	6.0	5.4	3.8	3.3	2.4
million persons	0.9	1.1	0.7	0.7	0.4	0.3	0.3
Rural %	18.7	19.3	17.8	17.5	13.9	8.9	7.4
million persons	1.9	2.0	1.8	1.8	1.4	0.8	0.7

Source: CASPIS calculation on the basis of NIS data

Chart 18. Poverty level by regions (CASPIS methodology)



Source: CASPIS calculations on the NIS data, 2005

Table 30. Poverty level, by Region

	1995	2003	2004	2005
NORTH - EAST	37.5	35.4	25.9	20.9
SOUTH - EAST	26.3	29.2	23.9	22.0
SOUTH	27.6	29.9	19.8	17.5
SOUTH - WEST	28.5	32.1	22.7	20.5
WEST	17.9	18.1	11.5	7.6
NORTH - WEST	22.2	17.7	14.8	11.9
CENTRE	23.9	20.3	17.0	13.3
BUCHAREST	10.2	8.1	6.1	4.8

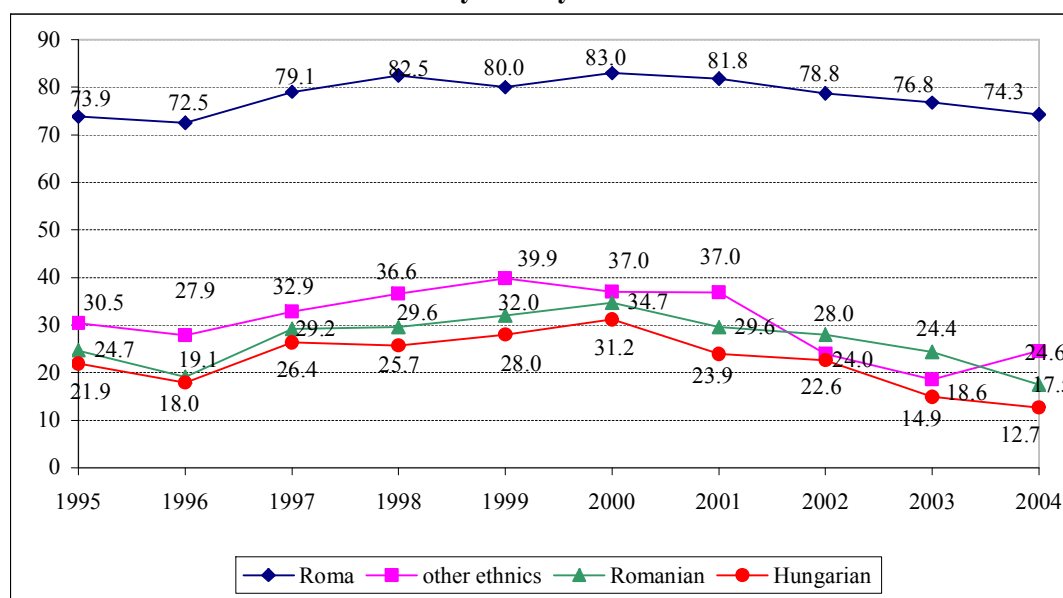
Source: CASPIS, 2005

Table 31. Poverty rate by number of children in poor households (%)

	Childless	1 child	2 children	3 + children
2000	28.1	31.2	37.5	66.4
2001	24.3	24.5	30.2	65.6
2002	22.2	23.2	30.7	60.2
2003	19.4	20.1	25.9	54.1
2004	15.6	16.6	22.2	49.0

Source: CASPIS, 2004

Chart 19. Poverty risk by ethnic communities



Source: CASPIS, 2005

Table 32. Roma job placement through Public Employment Services between 2001-2005

	2001	2002	2003	2004	2005
Employed Roma population	5,188	5,535	8,781	9,062	10,366
TOTAL number of employed person no matter ethnic origin	470,644	540,416	557,735	540,065	507,363
Weigh of employed Roma population	1.10%	1.02%	1.57%	1.68%	2.04%

Source: NAE, LM statistics 2005

Table 33. Distribution of persons with disabilities by gender

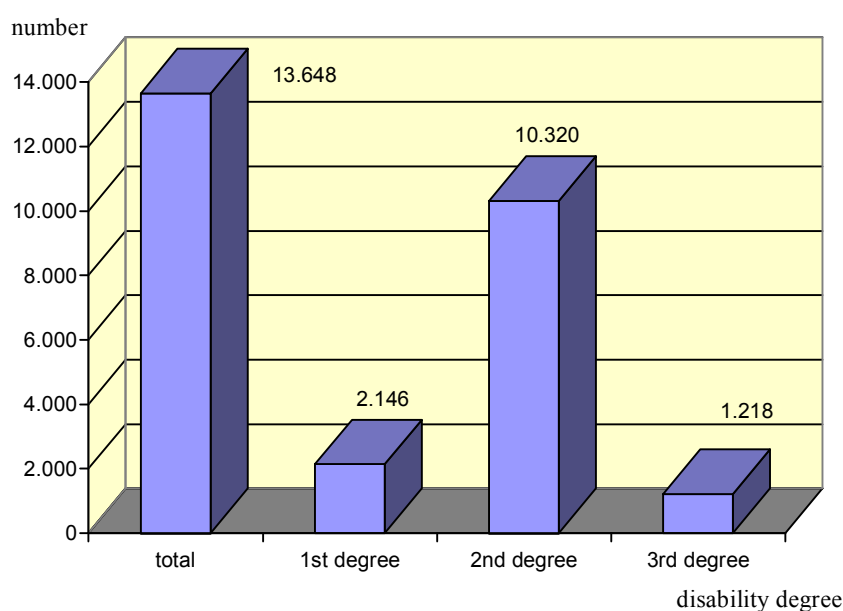
	1999	2000	2001	2002	2003	2004	2005
TOTAL, of which:	409,523	402,275	425,847	423,393	408,120	410,286	459,552
Female	212,952	209,183	224,048	225,191	210,422	216,836	248,158
Male	196,571	193,092	201,799	198,202	197,698	193,450	211,394

Source: NAPD

Table 34. Distribution of persons with disabilities by level of disability

	1999	2000	2001	2002	2003	2004	2005
TOTAL, of which:	409,523	402,275	425,847	423,393	408,120	410,286	459,552
Severe	132,199	135,892	152,297	152,610	149,001	152,015	171,209
Accentuated	250,298	238,946	241,221	239,302	230,322	227,534	256,137
Medium	27,026	27,437	32,329	30,481	28,797	30,737	31,206

Source: NAPD

Chart 20. People with disability employed (31 of December 2005)

Source: NAPD, 2005

Table 35. **Romanian population by gender and area**

	Population as at:		Differences: 2006 vs. 2005
	01.01.2005	01.01.2006	
Total	21,658,528	21,610,213	-48,315
Male	10,561,710	10,535,140	-26,570
Female	11,096,818	11,075,073	-21,745
Urban			
Total	11,901,033	11,926,178	251,145
Male	5,704,196	5,713,692	9,496
Female	6,196,837	6,212,486	15,649
Rural			
Total	9,757,495	9,684,035	-73,460
Male	4,857,514	4,821,448	-36,066
Female	4,899,981	4,862,587	-37,394

Source: NIS, 2006

Table 36. **Share of women in total employment**

	2000		2001		2002		2003		2004		2005	
	Thou. persons	%	Thou. persons	%	Thou. persons	%	Thou. persons	%	Thou. persons	%	Thou. persons	%
Total	10,764	100	10,697	100	9,234	100	9,223	100	9,158	100	9,147	100
Male	5,772	53.6	5,719	53.5	5,031	54.5	5,057	54.8	4,980	54.4	5,011	54.8
Female	4,992	46.4	4,978	46.5	4,203	45.5	4,166	45.2	4,178	45.6	4,136	45.2

Source: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

Table 37. **Employed female and employee female population by working time (%)**

	1999	2000	2001	2002	2003	2004	2005
Share of employed female ⁵⁹ working full-time programme in the total employed female	81.8	81.4	81.6	87.2	87.8	88.8	89.5
Share of employed female working part-time programme in the total employed female	18.2	18.6	18.4	12.8	12.2	11.2	10.5
Share of employee ⁶⁰ female working full-time programme in total employees female	98.3	98.2	98.6	99.2	99.1	98.8	98.8
Share of employee female working part-time programme in total employees female	1.7	1.8	1.4	0.8	0.9	1.2	1.2

Source: NIS, Labour Force Survey annual average data; data for 2002-2005 were weighted based on the results of the Population and Housing Census, March 2002

⁵⁹ i.e. employees, employers, self-employed and unpaid family workers;⁶⁰ Employee – persons working under a labor contract or a labor relation in an economic or social unit or at a private individual for a salary, payment in cash or in kind, commission etc.;

Annex 2

Phare Programme 2001

Project title	Project value	Details
Institutional building in social service - RO 0108.02	5 M Euro	<p>With a time span of twenty months, this project's activities have been grouped in four components: Institutional Building, Training, Communication and the Development of social services. The program financed the development of institutional framework of municipal authorities to offer direct social service or to act like agent and catalyser by stimulating the supply of these services in partnership with other agents, public, private or non profit organisations.</p> <p>The programme financed a large range of activities, including the creation, development and/or the improvement of social service, offered through, but not limited to, the following: day centres, day clubs, accommodation centres on temporary period, social workers, rehabilitation centres and social recovery, counselling centres, temporary housing, support for home assistance, emergency counselling phone line, protected workshops, the rehabilitation of selected institution and the endowment of aged hostels with specific equipment (medical, social, maintenance therapy and rehabilitation), emergency centres for post-institutionalized youths.</p>
Access to Education for Disadvantaged Groups with Special Focus on Roma Population - RO 0104.02	11.3 M Euro	<p>The implementing period of this project was September 2002 – November 2004. The proposed objectives were: quality assurance in preschool education as a precondition for stimulating interest in increasing enrolments in primary education and stimulating the children to participate to education, preventing, thus, early school leaving and drop outs. The final evaluation of the project (November 2004), indicates that the proposed objectives were achieved. In the case of this project, in 10 of the counties involved there has been recorded an increase of the participation rate to pre-school education (by 12% for preschool population, in general and by 28.5% in case of Roma population, an increase of the participation rate to primary education (1.3% in general and 9.5 % for Roma children) as well as an increase of the participation rate to lower secondary education by 0.8% in case of Roma children. This project also had a specific component of "Second chance education" addressing the specific needs of population lacking key competences and qualification. The aim was to prevent and fight against the social and labour market exclusion to which this group was exposed. About 335 Roma young persons participated to the program "A Second Chance" and only 50 of them dropped out.</p> <p>At the national level the main results were:</p> <ul style="list-style-type: none"> – 55 young Roma enrolled in the university ODL programmes with the aim of being trained Romani language teachers for Roma communities; – 74 persons from Roma community from specific target groups selected and trained as school mediators
Investments in social service - RO 0108.03.03.02	1 M Euro	<p>The objectives of this subcomponent refers to the training needs evaluation for the personal who will work within local authorities (personnel with duties in social service field from town halls, county council), General Directorates for labour and social county solidarity, as well as, within the financed projects within subcomponent grants, the creation and dissemination of assessment courses in concordance with identified needs.</p>
Technical Vocational Education Training PHARE TVET RO 0108.01	20.93 M Euro	<p>The main results obtained were:</p> <ul style="list-style-type: none"> – Piloting of a quality assurance system for TVET in the 22 resource centres, based on the common reference framework regarding quality assurance, agreed at European level (Copenhagen process). – Creation of Regional Consortia as tripartite consultative structures at regional level (chaired by RDA), which are responsible for development of policies and strategies regarding TVET planning and development in the region. Developing and revising, by the above mentioned structures of the Regional Education Action Plans (REAP) regarding the technical and vocational education on 2013 perspective, for the 7 development regions which include schools participating in the multi-annual 2001-2003 PHARE TVET projects (in accordance to the 11 industrial restructuring areas with economic development potential, approved through GD no. 399/2001);

Phare Programme 2002

Project title	Project value	Details
The establishment of the National Agency for Equal Opportunities between Women and Men -RO 02/IB/SO 01	2 M Euro	The general objective is the creation of National Agency for Equal Opportunities between Women and Men. The activities of this project have been focused in principal on the elaboration of a draft law concerning the organisation and functioning of the agency, the strategy, the planning and the objectives of the agency and the preparation of at least 220 public servants within the new structures regarding EU regulation and the internal legislation of equal opportunities.
Social security for the migratory workers - RO 02/IB/SO 02	1.9 M Euro	The project had like general objectives the establishment of a social security system for the migratory workers and the creation of an Information and Documentary Centre for migratory workers. The outcomes have materialized in the elaboration of a legislative proposal for ensuring the conformity of internal legislation with community legislation, the improvement of the activity of responsible department for the coordination of the social security system, the elaboration of the informed strategy regarding the migratory workers, the development of a web page and the Documentary Centre for Migrants.
Support to the Ministry of Labour, Social, Solidarity and Family (MoLSSF) in the field of continuous vocational training - RO 02/IB/SO 03	1.471 M Euro	This project intended to establish an institutional frame regarding the continuous vocational training in the context of economic restructuring in Romania, especially, the setting up of legislative and administrative frame in the field of adult continuous vocational training. It was elaborated the strategy for short and medium term for continuous vocational training and it was established the selection criteria for training suppliers.
Support to the MoLSSF to strengthen the administrative capacity to implement ESF- type activities - RO 02/IB/SPP/02	1.4 M Euro	The general objective of the project was the development of the institutional capacity of MoLSSF (as Managing Authority) and NAE (as Intermediate Body), in order to participate at the financial assistance projects of EU in area of employment policy, especially financed by the ESF. It was defined the coordination structures for the administration and implementation of ESF programme, including tasks and responsibilities, were elaborated the methodologies for programming, implementation, monitoring, control and evaluation of ESF-type interventions. It was also trained the personnel within MoLSSF and NAE at national, regional and county level, as well as the project's promoters, regarding the implementation of ESF type interventions, projects management and the achievement of partnership.
Insurance system for work accidents and occupational diseases - RO 586.04.05.02	4 M Euro	It was followed the development of the legislative framework in order to achieve an efficient system for preventing accidents and to develop the insurance services in case of labour accidents and occupational diseases.
Technical assistance for TVET - RO 02/000-586.05.01.02.02.02	24.133 M Euro	The project facilitated the elaboration of 7 regional studies on the "Provision of the development of regional labour market studies for estimation 2013 TVET supply". The final Report was presented in June 2005 together with the main results of the 7 regional studies conducted for assessing the relevance of the TVET to regional labour markets needs. The studies showed that, despite the fact that in case of the TVET there is a high participation of social and regional partners in the planning process and tripartite structures are created at regional and local level, still the relevance of TVET for regional and labour market needs remains low. The main results were: - Revising, on the basis of REAP, of the LEAP regarding TVET, with the contribution of the Local Development Committees for Social Partnership. Through the 2002 Phare TVET project LEAPs will be developed for all 42 counties and Bucharest. - Continuation of the School Action Plans (SAP) development process. SAP represents the institutional development response at local level to the regional and county priorities, adapted to the specific of each of the 122 schools involved.

Phare Programme 2003

Project title	Project value	Details
Support for strengthening the institutional capacity of National Agency for Employment - RO 03/IB/SO/04	1 M Euro	The general objective of the project was the development of the administrative capacity of National Agency of Employment (as public employment service) for the participation in an adequate mode at the implementation of active measures and employment programs provided in National Action Plan for Employment, as well as implementation of projects financed by the European Social Fund.
Promoting of autonomous social dialogue - RO 03/IB/SO/02	1.145 M Euro	It aimed at the strengthening of the administrative capacity of Ministry of Labour, Social Solidarity and Family to promote bipartite dialogue, the strengthening of social partners capacity to participate at the implementation and the developing of the Community acquis and national legislation in the social dialogue area and the endorsement of capacity of the Economic and Social Council in order to give to the social partners the information and the professionals employment service.
Support to the Ministry of Labour, Social Solidarity and Family for elaboration and the implementation of employment policy and the preparation for EDIS - RO 2003/005-551.05.01.04	1,55 Euro	The general objective of the project is the strengthening of the institutional capacity of the Coordination Programme Unit within MoLSSF and the 8 Programme Implementation Units at the regional level, that correspond to the 8 economic development regions, for the implementation of the Human Resources Development grant schemes, complying with the JAP and NAPE priorities.
Support for strengthening the National Agency for Employment to adapt the labour market statistics in accordance with those used at EU level - RO 03/IB/OT/06 TL	180,000 Euro	The purpose of the project is the strengthening of the institutional capacity of NAE through the adaptation to the European requirements of the national system of statistic monitoring of the labour market. It has in view that the NAE is able to calculate all the statistic indicators used at the EU level in order to monitor the implementation of the employment guidelines. Similarly, it is followed up the strengthening of the institutional capacity of other relevant institutions (NIS, Labour Research Institute, MoERY, IES) for promoting a complete set of labour market data, consistent and comparable with EU data.
Strengthening the administrative capacity of the Social Inspection-RO/03/IB/SO/06	2.5 M Euro	The objective of the project is to strengthen the Social Inspection administrative capacity at the national and territorial level, so that it can fulfil in an efficient way all the supervision functions on the respect of social benefits and services regulation in force and on the adequate use of public funds, to ensure an equal treatment adapted to the real needs of the resident population of Romania.
Investments in Social and Economic Cohesion - Subcomponent "Development of the Human Resources" (grant schemes)	7.47 M Euro	The purpose of the project is to facilitate the access of the unemployed workers (youth and long-term unemployed) and to increase the level of the labour force skills based on training and retraining. The priorities of this project are: the intensification of the labour active measures as system instrument to increase the employment rate, especially for youth and long-term unemployed, as well as the training and retraining of labour force according to the present requirements of the labour market.

The creation of an unitary legal system harmonised with the Community provisions related to the Labour Code RO 03/IB/SO/01	1 M Euro	The objective of the project is the implementation of the new Labour Code and the secondary legislation. It is followed up the elaboration of the training curriculum, the strategy for continuing training and a National Training Program for labour inspectors. Also, it will be elaborated a guide related to the inspection of labour relationships, and there will be organised training and information sessions.
Access to education for disadvantaged groups - RO 03/005-551.01.02	11.33 M Euro	<p>The implementing period was November 2003 – November 2006. The general aim of the project was to prevent and to fight against marginalization and social exclusion and to support the development of a mechanism for improving access to education for disadvantaged groups (Roma population, disadvantaged groups from the socio-economic point of view and children with special educational needs). The project had specific components for pre-school education, for second chance education and for special education needs (SEN) pupils. The Project is an extension of the 2001 PHARE project in other 12-15 counties and it contains new elements like:</p> <ul style="list-style-type: none"> - extending the activities initiated by the previous PHARE project - defining the target group (Roma children, SEN children, children from economically and socially disadvantaged groups) from the Priority Fields for Educative Intervention, according to specific educational, cultural and socio-economic indicators - the program “A Second Chance” for primary education - curricular development - focus on the elimination of school segregation phenomenon (provision of training and educational materials) - set up of Resources Centres for Inclusive Education in selected counties (about 15 counties). <p>In case of Roma population the low rates of participation to education has, in most cases, social causes: poverty which affects the capacity of the families to assume the cost of the education of their children; the use of children in various housekeeping and babysitting activities, agriculture etc. Also other factors like: low attractiveness of education, low education of the parents or cultural factors affect the participation of Roma population to education at all levels.</p>

Phare multi-annual Programme 2004-2006

In the frame of reference of the multi-annual programme, Social and Economic Cohesion, projects under “Development of the Human Resources” priority are implemented on three main domains: the structural unemployment approach, the improvement of the labour force long term adaptability and combating the social exclusion. In the same programme, the priority “Building the institutional structures in order to achieve, upon accession, sound and efficient management of EU structural instruments, and efficient management of programmes under EDIS requirements” benefits by a financing of about 10,266,350 Euro.

Also, the MoLFEO has the role of Implementing Authority for the Phare projects implemented within social sector of Phare Programme.

Phare Programme 2004

Project title	Project value	Details
TA for awareness campaign, support for preparation and applications of grant	194,100 Euro	<p>The implementing period of the project was August 2006 – November 2006.</p> <p>The aim is to provide operational support and assistance to the staff of the MoLSSF and NAE – 8 PIU’s, in order to facilitate the successful launch and effective implementation of the regional development projects related to the Human Resources Development.</p> <p>Specific objectives: (1) Raise the overall visibility of the HRD grant scheme opportunities, financed under Phare 2004, through organizing</p>

scheme promoting Life-Long Learning (LLL) for qualification and re-qualification of the work force. CONTRACT FRAMEWORK – 2004/016-772.04.02.02.01.02.01		and running promotion campaign, at national and regional level, as well as organizing efficient events in relation with this grant scheme purpose; (2) Ensure the submission of good project proposals and help raise the quality of applications through establishing a help desk in each region to ensure weekly information sessions and advice for potential applicants, during the period of open call for proposals. Outputs: (1) 1500 printed copies of guide for applicants and information materials, specific logo elaborated, newspapers announcements, 1 national conference and 8 regional conferences. (2) Guidelines elaborated to help companies to design HR strategy and to do needs assessment; workshops organized in each PIU for potential applicants, supporting documents for each workshop elaborated and multiplied, Information day/ weekly organized in each PIU with the participation of the Contractor's expert for all period of time of helpdesks functioning.
TA for appraisal and selection of projects, help - desks for grant scheme promoting Life-Long Learning (LLL) for qualification and re-qualification of the work force. CONTRACT FRAMEWORK - 2004/016-772.04.02.02.01.02.02	166,500 Euro	The implementing period of the project was August 2006 – December 2006. The aim is to provide operational support and assistance to the staff of the MoLSSF and National Agency for Employment – 8 PIU's, in order to facilitate the successful launch and effective implementation of the regional development projects related to the Human Resources Development. Specific objectives: (1) to assist the PIUs to update and implement the PIU Procurement manual; (2) to provide qualified expertise in order to conduct the evaluation of the Grant Applications received by the PIU for the HRD grant scheme financed under the Phare 2004 – “Investments in Economic and Social Cohesion” sub-programme, ensuring that the above-mentioned applications are processed by the Regional Evaluation Committees in time and in compliance with the established criteria and procedures; (3) to observe the highest professional and ethical standards and the transparency. Outputs: (1) Methodology of the evaluation and selection process; (2) training for all Regional Selection Committees; (3) Grant Applications evaluated; Reports according to established procedures elaborated; Independent Evaluation Report.
Support for implementation of EDIS Accreditation Action Plan in order to create the necessary framework for the effective functioning of the Phare Implementing Agency under EDIS. Contract Framework - 2004/016-772.04.02.02.01.02.03	149,981 Euro	The implementing period was October 2006 – February 2007. The general aim of the project was to provide technical assistance to help in strengthening the administrative capacity within the Phare IAg – Ministry Of Labour, Family and Equal Opportunities and related PIUs involved in the management of Phare funds in order to meet EDIS requirements. The specific objective was to support the implementation of EDIS Accreditation Action Plan in order to achieve and maintain full compliance with EDIS requirements, in particular with respect to adequate and well-trained staff.
TA for establishment of National Authority for Qualification - 2004/016-772.04.02.02	999,970 Euro	The duration of this project is 11 months and the implementing period is December 2006 – November 2007. The overall objective of this project is to create a national transparent qualifications system in vocational education and training (VET), in view of supporting the coherency enhancement of the actual initial (TVET) and continuing vocational training (CVT) system, in a LLL perspective, benefiting of social partners' full participation, through sectoral agreed partnerships. The purposes of the project are: (1) To assist the NATB, acting as NAQ, and the sectoral committees to build their capacity a regards the development of the National Qualification System; (2) To assist the NATB/NAQ and the sectoral committees to develop and to implement the methodological framework for the qualifications development, for creating a coherent, transparent qualification system, compatible with the European Qualification Framework; (3) To assist the NATB/NAQ and the sectoral committees to develop an operational methodology

		for the qualifications and competences certification correlated at VET system; (4) To assist the NATB/NAQ and the sectoral committees to develop the methodology for the creation and updating of the Professional Qualifications National Register (PQNR) and to elaborate the Specifications of Requirements for the PQNR data base and the related portal; (5) To assist the NATB/NAQ to disseminate the project's results.
TA for support to MoLSSF, NAE and Final Beneficiaries for the previous preparation of the HRD schemes promoting social inclusion measure - 2004/016-772.04.02.03	1,460,142 Euro	The aim of the project is to support MoLSSF, NAE and Final Beneficiaries for the preparation of the HRD schemes promoting social inclusion measures targeting the three vulnerable groups (Roma, disabled people, Youngster over 18 no longer in the Child Protection System). Results to be achieved: (1) A portfolio of best practices regarding projects for inclusion of the vulnerable groups targeted by the project; (2) Development of training methods, materials and trainee's manual in order to support training for representatives of vulnerable groups for project identification and management; (3) Training in facilitation and project management delivered at the national and regional level to the organisations for projects of vulnerable groups or promoters, counselling provided and support for development of effective partnerships; (4) Public Information campaign developed and implemented to increase awareness of the project, including the grant scheme, to promote social inclusion of vulnerable groups and models of good practice; (5) MoLSSF, NAE and Final Beneficiaries trained as to be better prepared to manage and implement the subsequent 2005 and 2006 grant schemes for social inclusion. Assistance during evaluation and contracting is provided. The duration of this project is 11 months and the implementing period is December 2006 – November 2007.
TA for strengthening the capacity of MoLSSF in the field of social assistance and social services - 2004/016-772.04.02.03.02	1,951,620 Euro	The general aim of the project is to support in the development of an sustainable national social assistance system based on the principle of equality which is addressing the real needs of the vulnerable groups in society, and which is built in a process of continued consultation and participation between the different levels of government and in an effective partnership with the civil society. The project had specific components: <ul style="list-style-type: none"> • Setting-up the Social Observatory - main mission is to provide information and analysis in this field and to support social and family policies development, implementation and evaluation • Setting-up the National Social Benefits Agency - will be created under the authority of the Minister of MoLFEO for the administration and payment of all social benefits including the family allowances delivered in the system. The execution period of this project is October 2006 – November 2007.
Strengthening the capacity of MoLSSF in the field of social assistance - TA for supporting the grant scheme awareness and implementation - 2004/016-772.04.02.03.02	545,800 Euro	The specific objective of this contract is to support the MoLFEO to develop the capacity to manage effectively and efficiently grant schemes for development of local social services` projects covering monitoring of project implementation and dissemination of best practices. The duration of this project is 11 months and the implementing period is December 2006 – November 2007.
Grant schemes for promoting LLL for qualification and re-qualification of the work force	8,758,188.11 Euro, out of which 2,189,546,75 Euro – national co-financing	Priorities issues for this grant scheme are: <ul style="list-style-type: none"> • to enhance the endogenous economic and social potential of each Development Region, according to the provisions of the National Development Plan (NDP) and in close correlation with national social cohesion policies and in line with the EU policies and practices. • to promote the increasing of the productivity of the employees in enterprises at their workplace, in order to sustain better quality of the jobs as well as to increase the competitiveness and adaptability of the work force. Size of grants for this grant scheme was

		<ul style="list-style-type: none"> • minimum amount: EUR 15,000 • maximum amount: EUR 75,000 <p>For this grant scheme 176 contracts were signed and the Commencement order was issued on 23 January 2007. The execution period of these grant contracts is January 2007 – January 2008.</p>
Grant schemes for social services	8,872,601.11 Euro, out of which 2,218,150.30 Euro-national co-financing	<p>The specific objective of this open call for proposals is „To develop local authorities’ capacity of providing quality social services in the context of the deficit of social services at national level”.</p> <p>Size of grants for this grant scheme was:</p> <p>I. For primary social services</p> <ul style="list-style-type: none"> • Minimum amount: 10,000 EUR • Maximum amount: 50,000 EUR <p>II. For specialized services</p> <ul style="list-style-type: none"> • Minimum amount: 50,000 EUR • Maximum amount: 200,000 EUR <p>For this grant scheme 92 contracts were signed and the Commencement order was issued on 23 January 2007. The execution period for these grant contracts is January 2007 – June 2009.</p>
TA for support the Ministry of Labour to prepare as Managing Authority	2,653,100 Euro	<p>The overall objective of the project of which this contract will be a part is to build the institutional, administrative, programming and implementation structures necessary to effectively manage EU Structural Funds after accession, in order to make significant progress in the achievement of commitments made under Chapter 21 “Regional Policy and the Coordination of Structural Instruments”. The following results will have to be achieved within the project:</p> <ul style="list-style-type: none"> • Improved administrative capacity of MoLSSF as MA for SOP HRD, NAE and MoERY as IBs for SOP HRD to formulate, negotiate, manage and implement the SOP HRD according to the requirements of EU General SF and ESF Regulations and also to fulfil the role as Head of Mission for the two MA for SOP HRD (first in the MoLSSF and second in the Ministry of Administration and Internal Affairs) • Pipe-line of HRD projects to be financed starting with 2007 prepared • Trainings at national and regional levels to enhance ESF absorption capacity and awareness measures provided • Information, publicity and communication system concerning ESF set-up • Increased efficiency of the active employment measures provision on the labour market and allocations of funds, in order to enhance the labour market policies. <p>The project has started on 15th of December 2006 and has a period of execution of 11.5 months.</p>

Phare 2004 – Social sector

Implementation of the harmonized legislation on occupational safety and health in the small and	1,598,094 Euro	<p>The project started on 1st March 2006 and it will be finalised on 30th November 2007. The general objective of the project is to raise awareness of employers and employees in small and medium-sized enterprises (SMEs) as regards the importance of the observance of the minimum requirements on the specific risks contained in the following EU Directives and their transposition into the Romanian legislation: D98/24/CE and D2000/39/CE-chemical agents at work,</p>
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medium-sized enterprises - RO 2004/016-772.03.08		<ul style="list-style-type: none"> • D 2003/10/EC -Noise, • D2000/54/CE-biological, • Psycho-social regulations within the Council Directive 89/391/EEC , • 90/269/CEE-manual handling of loads • 89/391/CEE – Framework Directive • D 2002/44/EC on vibrations • 92/57/CEE on temporary and mobile construction sites • 2002/44/EC on vibrations • 92/57/CEE on temporary and mobile construction sites
Improving the social security for migrant workers - PHARE 2004/016-772.03.05	1,240,719 Euro, out of which 240,313.41 national co-financing	The project started on June 2006 and had foreseen, initially a period of execution of 10 months, but during March 2007 the Contractor had requested an extension of the execution period of 2 months. The project was finalised in May 2007. The general objective of the project was to support the ongoing transformation process in Romania in order to increase the implementation capacity of the community acquis by the institutions concerned in the field of movement of workers and co-ordination of social security systems. The project has also a supply component, which has as purpose to develop the IT system and information capacity of the institutions and structures responsible for the implementation of the community acquis in the field of free movement of workers and the rules for the co-ordination of the social security systems: Ministry of Labour and Social Solidarity, Ministry of Health and Family, Ministry of Education and Research, National Agency for Employment, National House for Pension and other Social Insurance Rights.
„Assistance for the monitoring the implementation of the Romanian Joint Inclusion Memorandum by the Ministry of Labour, Social Solidarity and Family” - RO 2004/016-772.05.01.02.07	312,500 Euro, out of which 62,500 Euro National co-financing	The project aims to strengthen the capacity of the Ministry of Labour, Social Solidarity and Family, stakeholders and social partners involved in social inclusion field for implementing and further monitoring the Joint Inclusion Memorandum so as to support Romania in preparing the process of accession to European Union. Design the institutional framework for the implementation and monitoring of the most immediate policy priorities in relation to tackling poverty and social exclusion emphasized by Joint Inclusion Memorandum signed between the Romanian Government and European Commission.

Phare Programme 2005

Project title	Project value	Details
“TA to support MoLSSF, NAE and Final Beneficiaries in the implementation of the grant schemes for Active Employment Measures mainly for youth, long-	995,125 Euro	The purposes of this contract are: (1) to promote Active employment Measures (AEMs) grant schemes mainly for youth, long term unemployed, and job seekers in rural areas (Final Beneficiaries) and the Life Long Learning (LLL) grant schemes; (2) to ensure a transparent, competitive and effective process for project appraisal and selection; (3) to increase capacities of MoLSSF, regional PIUs and project promoters for effective implementation and monitoring of projects financed under this programme. The results to be achieved are: (1) Awareness campaign elaborated and conducted for supporting the launching of the grant schemes; (2) Information and advice on project preparation provided for project promoters; (3) Regional Evaluation Committees members better prepared in order to evaluate the AEMs grant schemes and grant schemes promoting LLL; (4) Grant applications submitted in the open call for

term unemployed and job seekers in rural areas and the implementation of the Long Life Learning grant schemes” RO2005/017-553.04.02.01.02		proposal for grant schemes promoting AEMs and for grant schemes promoting LLL, financed under Phare 2005, appraised and selected; (5) Strengthened capacity of MoLSSF, regional PIUs and project promoters in monitoring the implementation of AEMs and LLL grant schemes. The duration of this project is 12 months and the implementing period is May 2007 – May 2008.
Grant Scheme - Active Employment Measures (AEM) mainly for youth, long-term unemployed and job seekers in rural area - RO2005/017-553.04.02.01.01	8.44 M Euro, out of which 2.11 MEuro national co-financing	The specific objective of this open call for proposals is the raising employment by facilitating the access to employment for job seekers, by enhancement of active employment measures and to develop new skills according to evolving needs of the labour market, promoting equal employment opportunities for vulnerable groups, such as young unemployed and long-term unemployed and for the job seekers in rural areas and people employed in agriculture with low incomes, and strengthening the regional and local partnerships set up to promote employment. The minimum and maximum amounts apply to the grants for the individual applicants or in partnership, which may be financed under the programme (Phare contribution) are between 15,000 Euro and 150,000 Euro. The funds available under this grant schemes shall be contracted until 30 November 2007. The projects financed out by this grant scheme shall have duration between 9 and 12 months.
Grant Scheme - Promoting LLL for qualification and re-qualification of the work force - RO2005/017-553.04.02.02.01	8.44 M Euro, out of which 2.11 MEuro national co-financing	The specific objective of this open call for proposal is the promoting life long learning (LLL) and developing of labour force to become more adaptable to structural changes, with focus on qualification and re-qualification of the work force in order to make it more respondent to the evolving needs of the labour market. The minimum and maximum amounts apply to the grants for the individual applicants or in partnership, which may be financed under the programme (Phare contribution) are between 15,000 Euro and 75,000 Euro. The funds available under this grant schemes shall be contracted until 30 November 2007. The projects financed out by this grant scheme shall have duration between 9 and 12 months.
Establishment of National Authority for Qualification - RO2005/017-553.04.02.02.02	1 M Euro	The overall objective of this project is to create a national transparent qualifications system in vocational education and training (VET), in view of supporting the coherency enhancement of the actual initial (TVET) and continuing vocational training (CVT) system, in a LLL perspective, benefiting of social partners’ full participation, through sectoral agreed partnerships. The expected results of this technical assistance projects are: <ul style="list-style-type: none"> Professional Qualifications National Register elaborated for 15 qualifications (on average) by sector, in 10 selected sectors, developed or reviewed in each sector, at all qualifications level. In case of qualifications levels 4 and 5, the qualifications will be developed under the sub-project 1 included in the priority B - measure D, and their validation will be the NAQ Sectoral Committees responsibility. All the others qualifications developed or reviewed under the above project are subject to the same validation procedure; PQNR database and the related portal developed; Administrators and main users of the PQNR database and related portal trained; Qualifications and competencies certification methodology approved and institutional implementation arrangement operational. This technical assistance project will have duration of 12 months.
Supply for National Authority for Qualification - RO2005/017-	400,000 Euro, out of which 100,000 Euro – national co-	The objective of this project is to supply IT&C equipment for NAQ establish under Programme Phare 2004 and 14 Sectoral Committees. The project has foreseen a period of execution of 12 months and shall be contracted until 30 November 2007.

553.04.02.02.03	financing	
Grant Schemes for Social inclusion measures of disadvantaged groups - RO2005/017-553.04.02.03.01	8.50 MEuro, out of which 2.50 MEuro national co-financing	The specific objective of this open call for proposals is to promote social inclusion by tackling the discrimination and inequalities in the labour market and the associated social exclusion and, in this way, to complement national strategies and employment policies. The minimum and maximum amounts apply to the grants for the individual applicants or in partnership, which may be financed under the programme (Phare contribution) are between 10,000 Euro and 50,000 Euro. The funds available under this grant schemes shall be contracted until 30 November 2007. The projects financed out by this grant scheme shall have a period of execution between 9 and 12 months.
Strengthening the capacity of MoLSSF in the field of social assistance and social services – Support the National Agency for Social Benefits set up under Phare 2004 - RO2005/017-553.04.02.03.02.01	800,000 Euro	The specific objective is the strengthening of the institutional capacity to implement the measures in social assistance field by developing the National Agency of Payment, set up within Phare 2004 Programme. The project has foreseen a period of execution of 12 months and shall be contracted until 30 November 2007.
Strengthening the capacity of MoLSSF in the field of social assistance and social services - RO2005/017-553.04.02.03.02.02	1 M Euro	The specific objective of the project is to deliver training for enhancing the skills for the staff of the PIUs, Directorates for Labour, Social Solidarity and Family at county level (DoLSSaF), GDSACPs and local authorities in social services management, public relations, project design and implementation. The project has foreseen a period of execution of 12 months and shall be contracted until 30 November 2007.
TA for support the Ministry of Labour to prepare as Managing Authority RO2005/017-553.04.02	3 MEuro, out of which 250,000 Euro national cofinancing	The objective of the project of which this contract will be a part is to build the institutional, administrative, programming and implementation structures necessary to effectively manage EU Structural Funds after accession, in order to make significant progress in the achievement of commitments made on Chapter 21 of the General Acquis communautaire “Regional Policy and the Coordination of Structural Instruments”. The project has two components, one Component A) Improving the system for implementing HRD programs and continuing the preparations for ESF management and implementation – technical assistance and Component B): Supply of IT equipment for operating the SMIS system for HRD SOP. The project will be contracted until 30 November 2007 and each component has foreseen a period of execution of 12 months. The following results will have to be achieved within the project: Component A) <ul style="list-style-type: none"> Assisting in training programs delivery on ESF programmes and projects implementation in relation to all policy fields of ESF: Training program on financial management (tailored on correspondent structures): <ul style="list-style-type: none"> - 50 persons from IBs new staff, - 200 from Final Beneficiaries new staff, 3.000 new identified potential project promoters (final recipients); Audit and control systems, reporting on irregularities – 200 persons – MA, IBs, FBs new staff; Component B): <ul style="list-style-type: none"> Equipment purchased, installed and operational High availability clusters of 6 servers Computers and printers that will allow proper operation of the software Users trained

Phare 2005 – Social sector

Integrating the National Agency for Employment into the EURES network	700,000 Euro, out of which 100,000 national co-financing	The project is in the contracting phase and will have duration of 8 months starting with the contract signature. The overall objective of the project is to strengthen the administrative capacity of the National Agency for Employment with a view to enforcing the <i>acquis communautaire</i> in the field of free movement of workers and the purpose is to strengthen the administrative capacity of the National Agency for Employment with a view to its future integration into the EURES network of EU Public Employment Services. The project will be contracted until 30th of November 2007 and each component has foreseen a period of execution of 12 months.
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Phare Programme 2006

Project title	Project value	Details
Grant Scheme - Active Employment Measures (AEM) mainly for youth, long-term unemployed and job seekers in rural area RO 2006/018-147.04.02	5.14 MEuro, out of which 1.29 MEuro national co-financing	The specific objectives of this open call for proposals is to raise employment by facilitating the access to employment for job seekers, by enhancement of active employment measures and to develop new skills according to evolving needs of the labour market, promoting equal employment opportunities for vulnerable groups, and strengthening the regional and local partnerships set up to promote employment. The minimum and maximum amounts apply to the grants for the individual applicants or in partnership, which may be financed under the programme (Phare contribution) are between 15,000 Euro and 150,000 Euro. The funds available under this grant schemes shall be contracted until 30 November 2008. The projects financed out by this grant scheme shall have a period of execution between 9 and 12 months.
TA to support MLFEO, NAE and final beneficiaries in the implementation of the grant schemes for Active Employment Measures (AEM) mainly for youth, long term unemployed, and job seekers in rural areas and the implementation of the Life Long Learning grant schemes RO 2006/018-147.04.02	1 MEuro	The specific objectives of this project are to raise awareness and provide information to ensure a transparent, competitive and effective process for projects appraisal and selection and to increase capacities of national and regional structures for effective implementation of projects financed under this programme in order to carry out monitoring, control and evaluation activities, efficiently. The project has foreseen a period of execution of 12 months and shall be contracted until 30 November 2008.
Establishment of National Authority for Qualification RO	1 M Euro	The specific objective of this project is to create an operational qualifications development and certification system, and develop common quality assurance principles and mechanisms in vocational education and training (VET) system. For achieving this objective will be realized a strategic review of the results from Phare 2004 and 2005 technical assistance projects. The project has foreseen a period of

2006/018-147.04.02		execution of 12 months and shall be contracted until 30 November 2008.
Grant Scheme - Promoting LLL for qualification and re-qualification of the work force RO 2006/018-147.04.02	5.14 MEuro, out of which 1.29 MEuro national co-financing	<p>The specific objective of this open call for proposals is the promoting life long learning (LLL) in Romania and developing of labour force to become more adaptable to structural changes, with focus on qualification and re-qualification of the work force in order to make it more respondent to the evolving needs of the labour market.</p> <p>The minimum and maximum amounts apply to the grants for the individual applicants or in partnership, which may be financed under the programme (Phare contribution): are between 15,000 Euro and 150,000 Euro.</p> <p>The funds available under this grant schemes shall be contracted until 30 November 2008. The projects financed out by this grant scheme shall have a period of execution between 9 and 12 months.</p>
Grant Schemes for Social inclusion measures of disadvantaged groups RO 2006/018-147.04.02	6.23 MEuro, out of which 1.56 MEuro national co-financing	<p>The specific objective of this open call for proposals is to promote social inclusion by tackling the discrimination and inequalities in the labour market and the associated social exclusion and, in this way, to complement national strategies and employment policies.</p> <p>The minimum and maximum amounts apply to the grants for the individual applicants are between 15,000 Euro and 75.000 Euro and for those that apply in in partnership between 50,000 Euro and 150,000 Euro.</p> <p>The funds available under this grant schemes shall be contracted until 30 November 2008. The projects financed out by this grant scheme shall have a period of execution between 9 and 12 months.</p>
TA for wide awareness raising campaign on issues related to the social inclusion RO 2006/018-147.04.02	1 M Euro	The objective of the project is to increase the capacity of the Ministry of Labour, Family and in the field of social inclusion thought a nation-wide awareness campaign. The project has foreseen a period of execution of 12 months and shall be contracted until 30 November 2008.
Social Services Grant Scheme RO 2006/018-147.04.02	7.20 MEuro, out of which 1.80 MEuro national co-financing	<p>The objective of this open call for proposals is to consolidate a sustainable national social assistance system based on the principle of equality which is addressing the real needs of the vulnerable groups in society, and which is built in a process of continued consultation and participation between the different levels of government and in an effective partnership with the civil society.</p> <p>For primary social services the minimum and maximum amounts apply to the grants are between 10,000 Euro and 50,000 Euro and for the specialised service the minimum and maximum amounts apply to the grants are between 50,000 Euro and 200,000 Euro. The funds available under this grant schemes shall be contracted until 30 November 2008. The projects financed out by this grant scheme shall have a period of execution between 9 and 18 months</p>
Support the Ministry of Labour, Family and Equal Opportunities to prepare as Managing Authority - Continuing the preparations for ESF management and implementation - RO	4,613,250 Euro	The objective of this project is to consolidate the institutional structures at central, regional and local levels, in order to achieve, upon accession, efficient system of the ESF of all levels, HRD SOP management and implementation system appropriate, respectively a properly ESF absorption capacity by continuing the preparation for ESF management and implementation. The project has foreseen a period of execution of 12 months and shall be contracted until 30 November 2008

2006/018-147.04.02		
Technical Assistance to Romania for supporting the Managing Authority for Sectoral Operational Programme for Human resources development (MA SOP HRD) of the Ministry of Labour, Family and Equal Opportunities (MLFEO) in drafting an integrated strategy for human resources development - RO 2006/018-147.04.02	200,000 Euro	The objective of this project is to elaborate an Integrated Strategy for Human Resources Development within a LLL perspective in Romania. The project has foreseen a period of execution of 12 months and shall be contracted until 30 November 2008.
Supply for NAE and regional PIUs for the implementation and monitoring of the grant schemes - RO 2006/018-147.04.02	200,000 Euro, out of which 50,000 Euro national cofinancing	The objective of this project is the procurement of nine automobiles for the regional IBs and NAE in order to ensure a proper monitoring mechanism of the beneficiaries and to allow to the staff of these structures to realize on the spot checks missions. The project has foreseen a period of execution of 12 months and shall be contracted until 30 November 2008.
Supply for MLFEO - MASOPHRD and PIUs - to develop a document management software application inside the organization - RO 2006/018-147.04.02	49,000 Euro, out of which 12,250 Euro national cofinancing	The objective of this project is the procurement of software to support the MA SOP HRD by developing a document management software application inside the organization. The project has foreseen a period of execution of 12 months and shall be contracted until 30 November 2008.

Annex 3

Indicative breakdown of the Community contribution by category in the SOP Human Resources Development

Commission reference No: CCI 2007RO051PO001

Name of the programme: Sectoral Operational Programme Human Resources Development

Date of the last Commission decision for the Operational Programme concerned: __/__/__

(in euros)

(in euros)

(in euros)

Dimension 1 Priority theme	
Code *	Amount **
62	711,185,074
63	229,083,655
65	176,656,289
66	476,402,823
69	64,964,021
71	433,093,472
72	683,832,021
73	182,355,149
74	284,929,959
80	110,934,614
85	73,624,752
86	49,083,167
Total	3,476,144,996

Dimension 2 Form of finance	
Code *	Amount **
01	3,476,144,996
Total	3,476,144,996

Dimension 3 Territory	
Code *	Amount **
01	746,704,219
05	306,584,592
09	42,551,434
00	2,380,304,751
Total	3,476,144,996

* The categories are coded for each dimension using the standard classification.

** Estimated amount of the Community contribution for each category.